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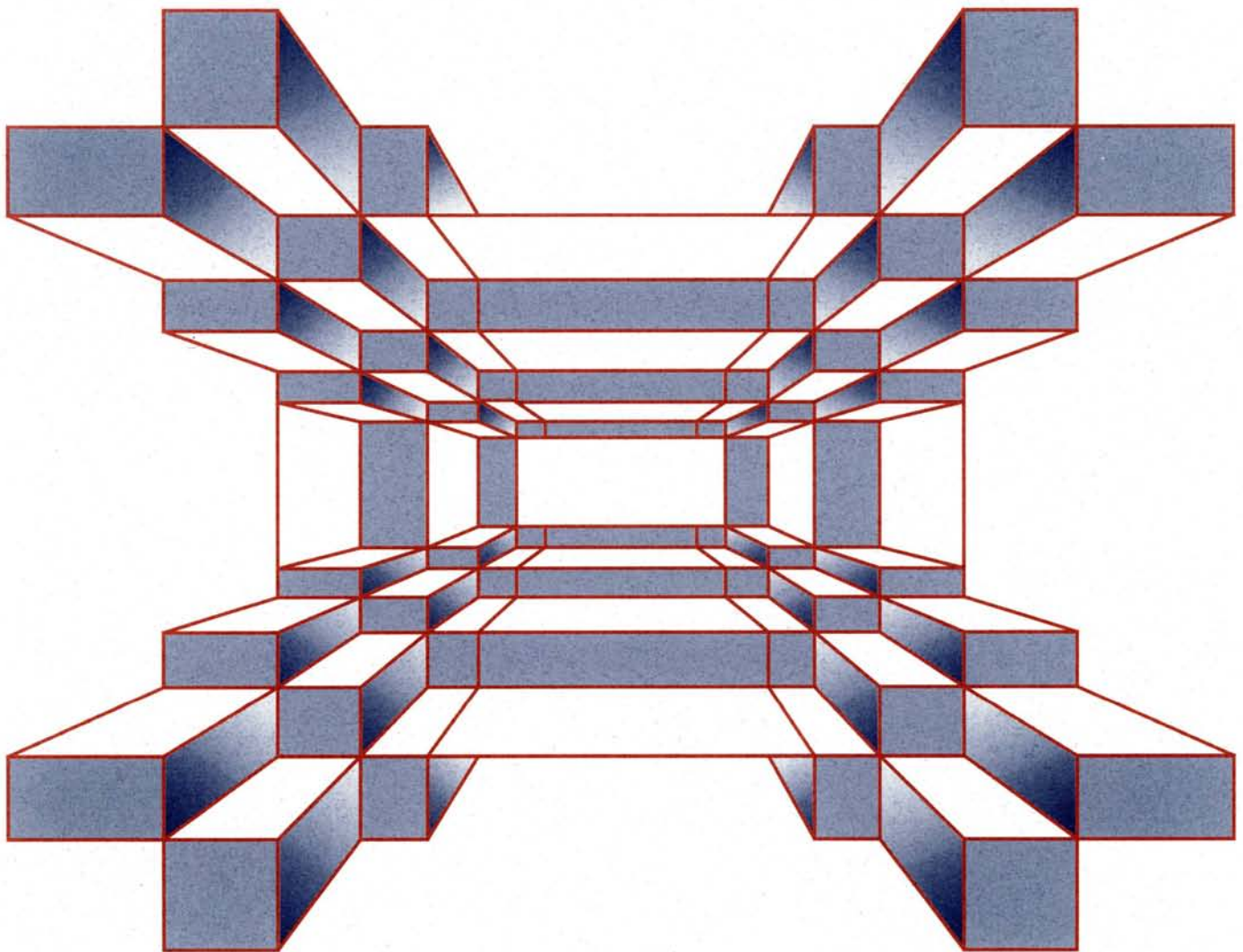
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BUSINESS OUTLOOK

for West Michigan



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BUSINESS OUTLOOK

for West Michigan

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W. E. UPJOHN INSTITUTE for Employment Research

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WEST MICHIGAN VIEWPOINT

Since the first issue of *Business Outlook for West Michigan* rolled off the presses ten years ago, its purpose has been to provide useful and timely economic information for the West Michigan region. The ensuing issues have monitored West Michigan's growth, documented its changing economic base, and offered insights into how our local economies relate to state and national trends. To track the economy more effectively, we have occasionally added new features or enhanced the presentation.

In this issue, we have made several significant changes in format and in the coverage of metropolitan areas in West Michigan. These changes became necessary because the economies of several of the region's metropolitan areas have become so interdependent that they now share the same labor markets. In fact, after carefully examining data from the 1990 Census, the Census Bureau concluded that several West Michigan metropolitan areas are no longer separate economies. The Census Bureau has merged the Muskegon and Grand Rapids MSAs into one metropolitan area, which includes Allegan, Kent, Ottawa, and Muskegon counties. In addition, they have combined the Kalamazoo and Battle Creek MSAs into a single area, which includes Calhoun, Kalamazoo, and Van Buren Counties. The Benton Harbor metropolitan area remains the same.

Combining these economies properly characterizes the interdependence among the urban areas. This redefinition also highlights the connectivity among the various communities and underscores the mutual benefits that businesses and households enjoy from the combined strengths of an integrated regional economy instead of fragmented local economies. At the same time, however, each of the urban areas retains its own identity and guides its own economic development.

We have redesigned the content and the format of *Business Outlook* to reflect these changes. We now present information for each of the redefined MSAs in West Michigan. Unfortunately, wage and salary data are no longer available for the former metropolitan areas of Battle Creek, Grand Rapids, Kalamazoo, or Muskegon. Many businesses, residents, and organizations still identify with the former boundaries, however, and find local information valuable in monitoring their local economies and in making informed decisions. To continue to serve these readers, we have developed new employment series for the former metropolitan areas that were previously covered separately. While these employment estimates are not official government sta-

tistics, they offer a unique, and we believe reliable, way to track local economic conditions in a timely fashion.

In addition to responding to Census changes, we have also considered the changing forces in the labor market. In particular, during the last decade temporary and part-time employment have become an increasingly large component of employment growth. However, published statistics at the local level are not available. Consequently, we have developed an employment index based on a new survey of employment service agencies in West Michigan. We are also introducing short-term employment forecasts for the region's urban areas.

Table 1
Workforce Commuting Patterns
West Michigan Counties, 1990 and 1980
(Percent of workforce)

Commuting from: \ to:	Allegan	Kent	Muskegon	Ottawa
Allegan 1990	51.4	15.2	0.1	18.4
1980	52.8	--	--	--
Kent 1990	0.4	92.6	0.3	3.5
1980	0.2	89.6	0.2	1.8
Muskegon . . . 1990	0.2	4.3	82.4	11.0
1980	0.4	1.9	84.7	5.9
Ottawa 1990	3.8	26.6	4.1	64.2
1980	2.3	22.4	3.7	62.5
Commuting from: \ to:	Calhoun	Kalamazoo	Van Buren	
Calhoun 1990	87.8	4.4	0.3	
1980	85.2	2.7	--	
Kalamazoo . . . 1990	3.4	89.4	1.5	
1980	2.7	85.4	1.2	
Van Buren . . . 1990	0.5	25.3	56.3	
1980	0.2	20.0	59.3	

To accommodate these changes in data reporting and to make the publication more accessible, we have revamped the format. We have replaced the discussion papers with more coverage of national and state economic conditions, with special emphasis on how these trends affect local economies. Articles highlighting the Institute's research will appear in the Institute's new semiannual publication, *Employment Research*. Finally, we are using more graphs to display the pertinent economic relationships, while still offering a comprehensive data appendix.

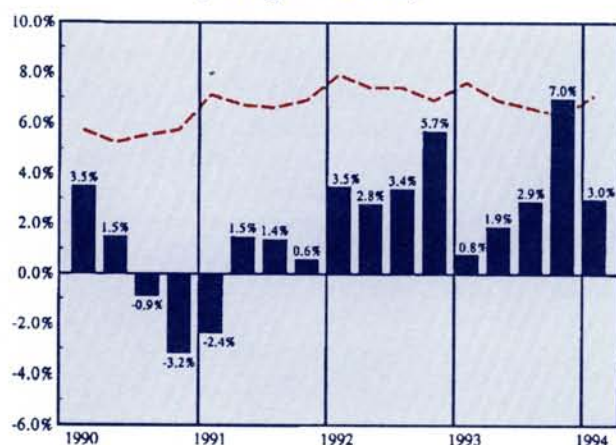
We hope that this format continues to meet your needs, and we invite your comments.

NATIONAL ECONOMY

Output

After a sizzling fourth quarter, growth in the nation's Gross Domestic Product (GDP) slowed at a lower-than-expected 3.0 percent annual rate in the first quarter of 1994. Moreover, a large portion of the first quarter's increase in output was warehoused. Business inventories, especially in retail durables, rose sharply in the first quarter. In fact, final sales increased only 2.2 percent in the quarter.

**Gross Domestic Product
and Unemployment Rate**
(Average annual rate)



The slowdown in final sales has neither calmed worried investors nor dissuaded the Federal Reserve from increasing short-term interest rates. Both fear that the economy is pushing against capacity constraints and that inflationary pressures are building. Currently, there is little evidence to suggest that inflation is starting to accelerate; the problem, however, is that once it does it is hard to curb.

The subdued first-quarter growth did not cast a shadow on the projected short-term job gains forecasted for West Michigan either. With substantial orders in hand, especially from the state's accelerating auto industry, the region's manufacturers are hiring. Employment in the goods-producing sectors rose 1.2 percent in the first quarter, and the Upjohn Institute is predicting it to grow an additional 0.9 percent in the current second quarter.

Several factors contributed to the moderate first-quarter growth in output. The especially harsh winter disrupted construction schedules and kept many consumers at home, partially explaining the unexpected build-up in retail

inventories. International markets remained flat, and federal spending declined at a 4.9 percent annual rate in the quarter.

Nevertheless, the nation's goods-producing sectors, which are concentrated in the Great Lakes region, reported a very strong first quarter. The nation's manufacturing sector is still expanding, according to the April reading of the National Association of Purchasing Management (NAPM) Index. The Index rose to 57.7 percent, up from 56.7 percent in March. A reading of greater than 50 percent suggests that the manufacturing sector is expanding. The Index reading is further supported by a 0.3 percent gain in industrial production in April, the eleventh consecutive monthly increase.

Future conditions look positive. The Index of Leading Indicators rose 0.7 percent in March, with only 2 of the 11 indicators being negative. Finally, the National Association of Business Economists upped their forecast of this year's GDP growth from 3.2 percent to 3.6 percent.

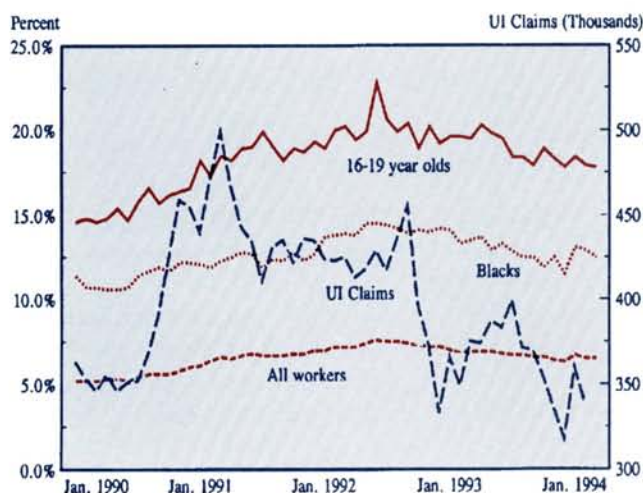
Table 2
Major Components of GDP
First Quarter 1994
(Seasonally adjusted annual rates)

Components	\$ billion current dollars	Percent of total	Real pct. chg. at avg. annual rates
Consumer spending	4,557.8	68.9	4.6
Durables	578.0	8.7	10.2
Nondurables	1,382.1	20.9	4.2
Services	2,597.5	39.3	3.3
Fixed private investment	944.0	14.3	2.3
Nonresidential	665.6	10.1	6.1
Equipment	488.8	7.4	16.1
Structure	176.7	2.7	-20.1
Residential construction	278.1	4.2	7.6
Government purchases	1,172.3	17.7	-3.6
Net exports	(79.7)	--	--
Exports	683.6	10.3	-1.0
Imports	761.6	-11.5	8.6

Labor Markets

The first-quarter slowdown in national output growth was not reflected in the latest employment statistics, however. In April, 267,000 jobs were created nationwide, and the national unemployment rate inched down to 6.4 percent from 6.5 percent in the prior month. Job gains would have been higher without the Teamsters strike, which idled 70,000 workers. During the first four months of this year, an average of 245,000 jobs have been created each month. Moreover, the number of individuals working part-time due to economic reasons continues to decline, dropping by 1.6 million in the twelve-month period ending in April.

Unemployment Rates and Initial Claims



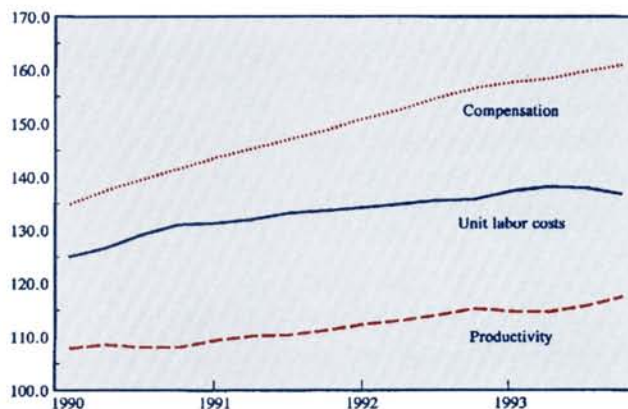
Temporary employment services, construction, restaurants, and health care witnessed the greatest employment gains, nationwide. One out of every six new positions was filled by a temporary services worker.

Recent employment gains have not triggered an acceleration in wage and benefit costs, which should ease the inflationary concerns of investors and the Federal Reserve Board. During the first quarter, the U.S. Labor Department's Employment Cost Index, which monitors wages and benefits, rose only 0.7 percent, after increasing 0.8 percent in the previous two quarters. Furthermore, average hourly wages of production and other nonsupervisory workers rose a moderate 0.3 percent in April and only 2.7 percent over the past year.

As has been widely reported, the economic recovery from the 1990 recession generated fewer jobs at a slower pace than in past recoveries, and in some industries the jobs have yet to come back. For example, although manufacturing employment is on the rebound, manufacturing workers faced an average unemployment rate of 12.6 percent in April. Moreover, the number of nonproduction occupations

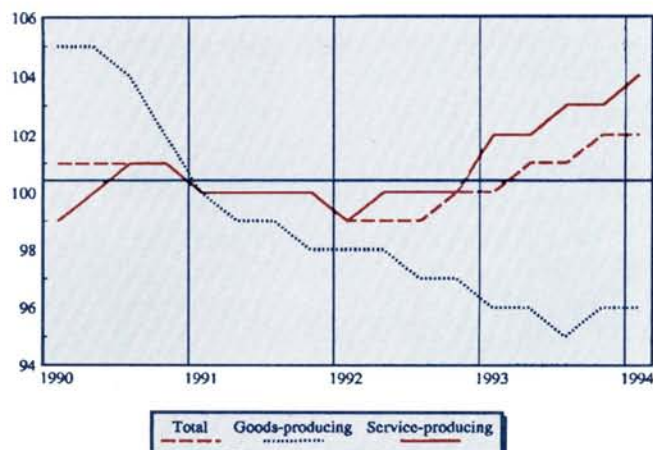
in the nation's manufacturing industries continues to decline, falling by over 120,000 jobs in the twelve-month period ending in April.

Productivity and Real Compensation and Cost (1982=100)



The bottom line is that for many unemployed persons it is still taking a long time to find work, although the overall unemployment rate is declining. In April, the median duration of unemployment was 9.2 weeks, compared to 8.5 weeks in April of 1993, when the unemployment rate was at a higher 7.0 percent.

Job Growth Index (1991:1 = 100)

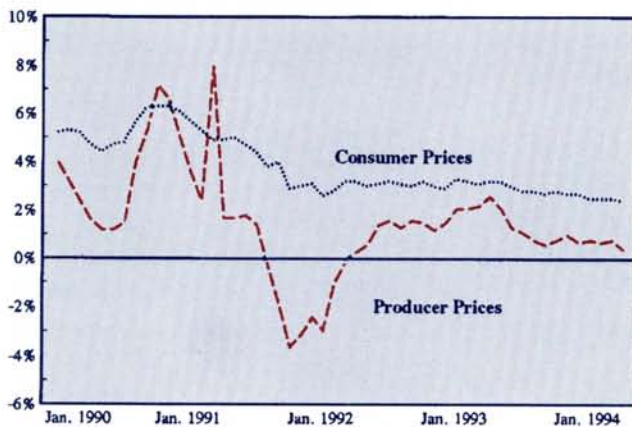


Of key significance to the highly industrial Great Lakes region, nevertheless, is the rise in manufacturing employment, which has grown for seven consecutive months as of April. Moreover, average weekly hours of production workers remained unchanged at the historical high level of 42.2 hours per week.

Inflation and Interest Rates

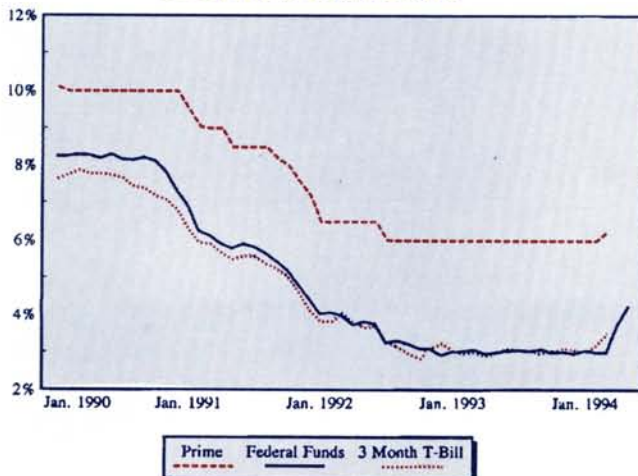
National employment gains, in combination with upward movements in the level of industrial capacity utilization and commodity futures prices, suggest that the national economy may be bumping up against capacity and resource constraints. If true, then the Federal Reserve (Fed) has cause to worry that rising prices will shortly follow. On May 17, the Fed increased its federal funds rate to 4.25 percent, triggering major banks to bump their prime rates 0.5 percentage points to 7.25 percent. The federal funds rate had stood at 3 percent at the beginning of February. The Fed also raised its discount rate to 3.5 percent from 3 percent. The federal funds rate is the rate banks charge each other for overnight loans, while the less-important discount rate is what the Fed charges for loans it makes to banks.

Price Indexes
Percent Change - 12 Months



In response to the boost in interest rates, the stock market rose, and bond investors pushed down long-term interest rates, indicating the high level of anxiety many investors have about future inflation. The overriding concern to most investors is not about the nation's actual rate of growth, but

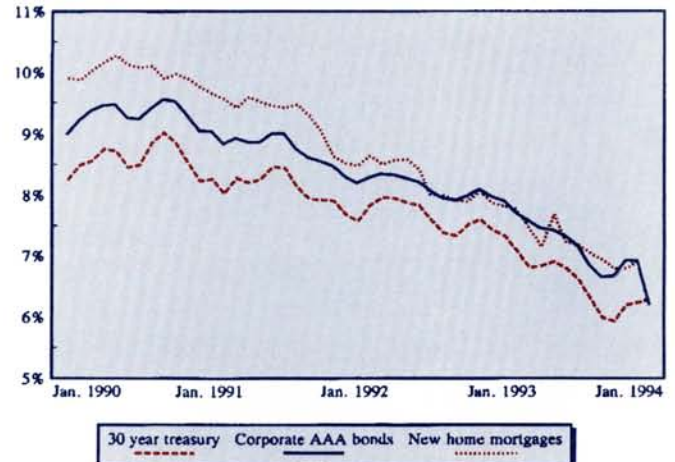
Short-Term Capital Rates



the relationship of its actual growth rate to its *potential*, noninflationary growth rate. When the actual growth rate exceeds combined productivity and labor force growth, then prices tend to rise.

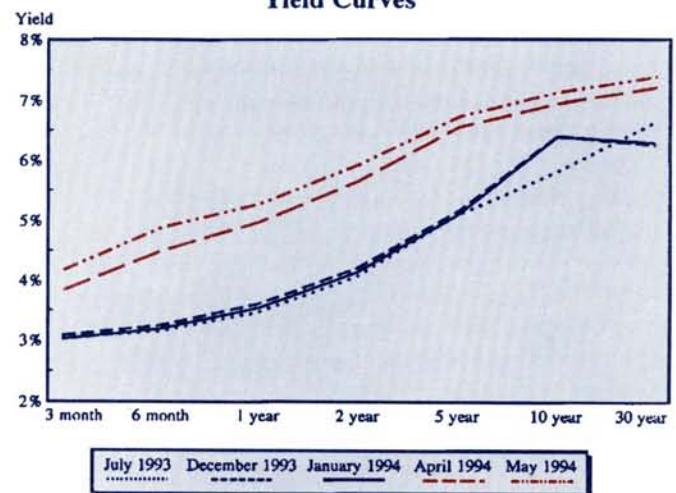
There is little argument that the nation's labor force is growing at about 1.2 to 1.3 percent per year. The debate centers on what is the nation's sustainable level of productivity growth. If productivity grows, on average, only 1 percent per

Long-Term Capital Rates



year, as long-term trends suggest, and labor expands at 1.3 percent, then any rate of output growth greater than 2.3 percent is inflationary. However, productivity growth has been above historical trends for the last three years.

Yield Curves

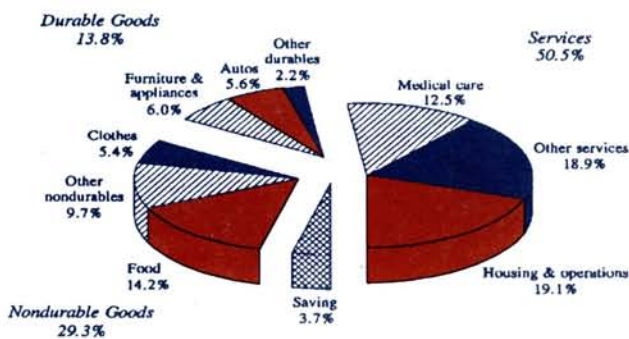


Inflation hawks point again to the historical record to argue that much of the current productivity gains are cyclical in nature and will be slowing in the near term. Inflation doves counter that U.S. firms have reached new productivity plateaus through more efficient capital utilization and through painful employment downsizing. In addition, they insist that global overcapacity in many basic industries is keeping prices stable.

Consumer Spending

Consumers continue to be the driving force in the economy, and current indicators remain encouraging: employment is up, hours are stable, income is growing. In all, it is not surprising that the University of Michigan's Index of Consumer Expectations rose in March.

**Consumption as a Percent of Disposable Income
(First quarter)**



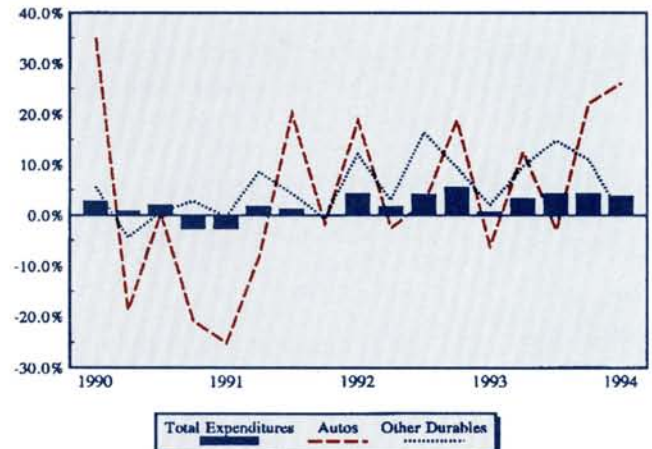
Consumer spending increased at a 4.6 percent annual rate in the first quarter of 1994, slightly above its 4.4 percent pace recorded in the previous quarter. Poor weather apparently did not stop consumers from making their rounds. Consumer expenditures for durable goods rose at a strong 10.2 percent average annual rate. Consumer expenditures on motor vehicles and related parts rose at a robust 26.3 percent in the quarter, with spending on furniture and other durables flat. More detailed retail sales reports, however, show that consumers were not only in the nation's auto show rooms, but also visiting household appliance dealers. Retail sales for household appliance dealers including personal computers rose 20.2 percent in the first two months of 1994 from the same time period last year. Consumers stayed away from furniture stores, however.

Consumer purchasing of nondurable goods and services grew at average annual rates of 4.2 percent and 3.3 percent, respectively.

Consumers are dipping into some of their savings, but much of their current expenditures are supported by growing real income. Disposable real income rose 2.7 percent in

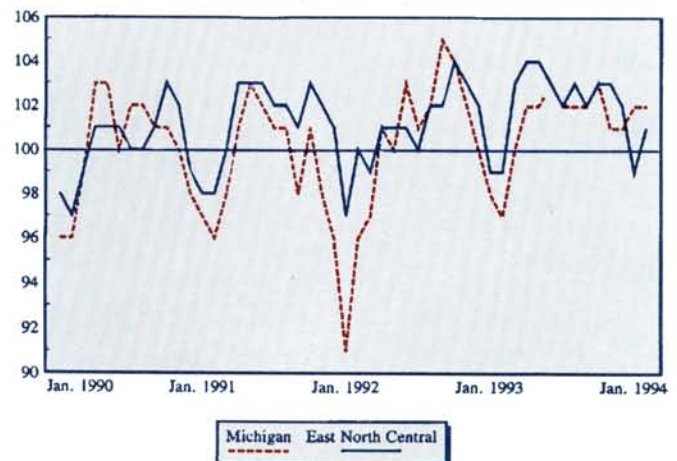
the first quarter; however, personal savings as a percentage of disposable personal income fell to 3.7 percent from 4.0 percent in the fourth quarter and was below the average saving rates for the past two years.

**Growth in Consumer Spending
(Seasonally adjusted annual rate)**



Still, the financial condition of the nation's households seems to be improving, due in part to lower consumer interest rates. Consumer debt service as a percent of disposable personal income has been falling since 1990, and consumer credit delinquencies are down. However, consumer spending may slacken in the second quarter due to the April tax bite. Second, rising short-term interest rates could dampen future sales of big-ticket items.

**Retail Trade Index
Index (1990=100)**

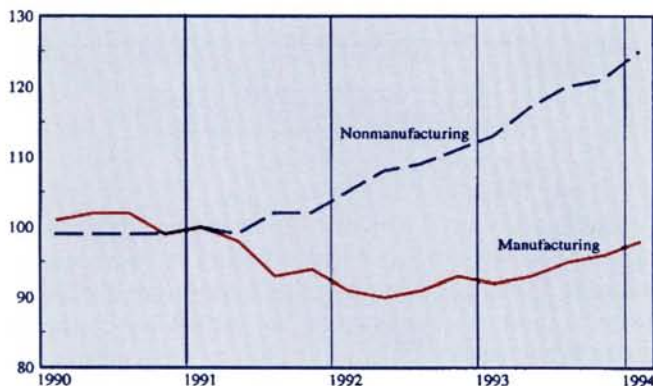


Investment

Low interest rates, a growing economy, and highly competitive international rivals have induced U.S. companies to continue to enhance productivity by investing deeply in computers, machinery, and equipment. Last year, in an economy that grew at a solid 3.0 percent, spending on producer durables soared by 13.5 percent.

Still, brick and mortar expenditures remain down, suggesting that firms, as they become more productive, find that they need less and less space to produce their goods or services than before. Second, many urban areas are still facing high commercial and office vacancy rates.

Plant and Equipment Expenditures
Index (1991:1=100)



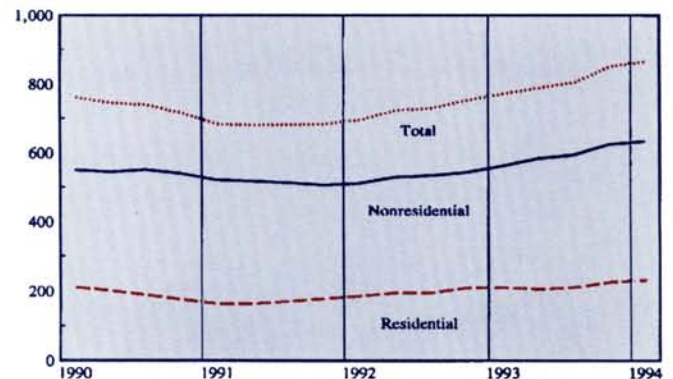
In the first quarter, business spending on producer durables remained strong, growing at a 16.1 percent annual rate; however, poor weather conditions and other factors caused spending on nonresidential structures to crumble, falling at a 20.1 percent annual rate.

Businesses are continuing to upgrade their information processing capacities. Expenditures on information processing equipment including computers made up 45.8 percent of total producer durable expenditures and grew at a 15.4 percent annual rate in the first quarter. Spending on industrial machinery and transportation equipment was also slightly up in the quarter.

Residential investment rose at a 7.6 percent annual rate in the first quarter of 1994. Single-family construction grew

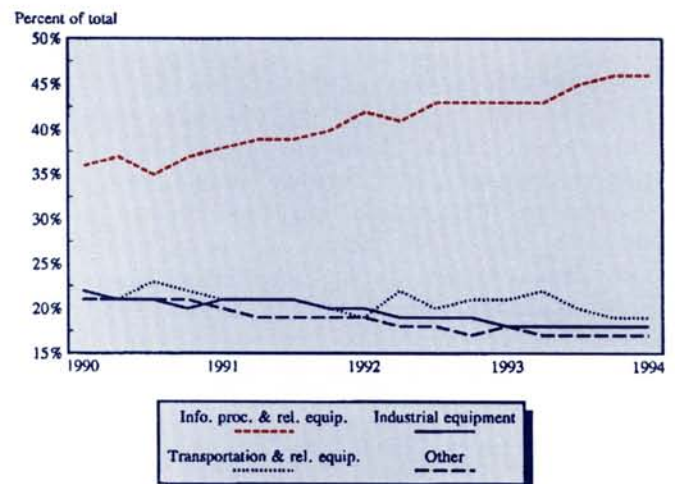
at a lively 21.6 percent annual rate, while multifamily construction remained comatose. Housing starts slowed in April; however, the number of building permit issues continues to climb. Housing starts in April are still racing at an annual rate of 1.46 million units.

Gross Private Investment
(Billions of 1987 dollars)



The current increase in short-term interest rates in combination with the potential for further declines in long-term

Nonresidential Investment Composition

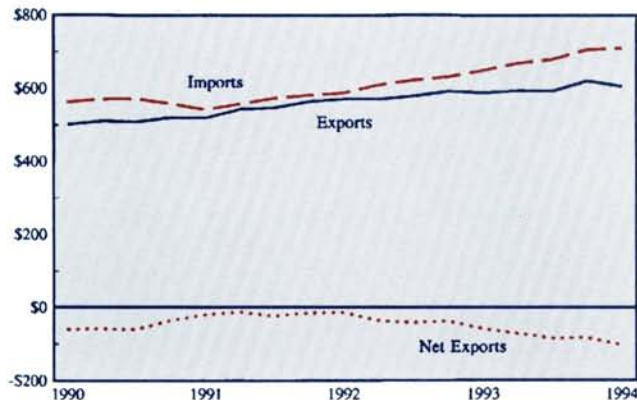


rates is sending mixed signals. It could dampen the purchase of equipment and industry, but at the same time lower long-term, fixed residential mortgages.

International Trade

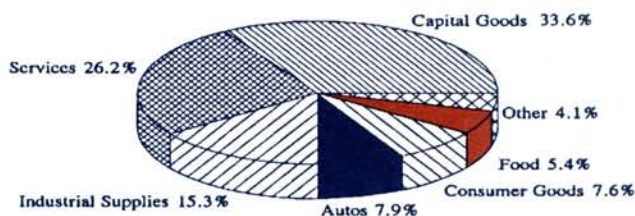
The international market is still sluggish. Exports, in fact, declined at a 1.0 percent average annual rate in the first quarter. Exports of merchandise declined across all sectors except computers and related equipment. Meanwhile, imports rose at an 8.6 percent annual rate.

U.S. Trade in Goods and Services
(Billions of 1987 dollars)



The economies of our major trading partners, with the exception of Canada and the United Kingdom, continue to be weak. Both the German and Japanese economies are still in recession. In Germany, however, interest rates have fallen, and the Bundesbank has adopted an expansionary policy sharply increasing the money supply.

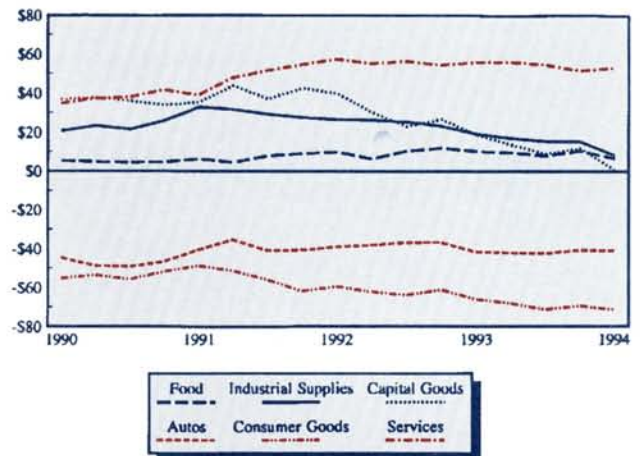
Total Exports First Quarter 1994
(Seasonally adjusted annual rate)



Recently the dollar has been relatively stable compared to other major currencies except for the Japanese yen. What

weakness does exist for the dollar is due to the fear of future inflation, causing foreign investments to discount the dollar's current value. It is likely that the recent boost in short-term interest rates and the accompanying easing of long-

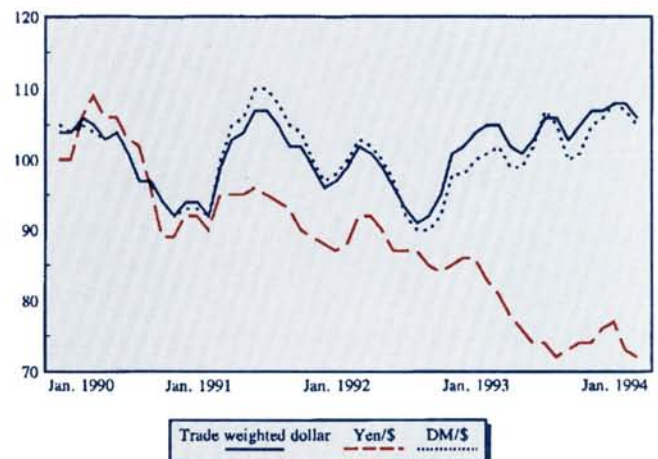
Trade Balance by Commodity
(Billions of 1987 dollars)



term interest rates will have a positive impact on the relative strength of the dollar to other currencies.

A weak dollar favors exporters and domestic industries facing stiff international competition, because it lowers the

Trade-Weighted Dollar Index (1990=100)



sales price of our exports to foreign buyers, while at the same time increasing the prices of imports.

MICHIGAN ECONOMY

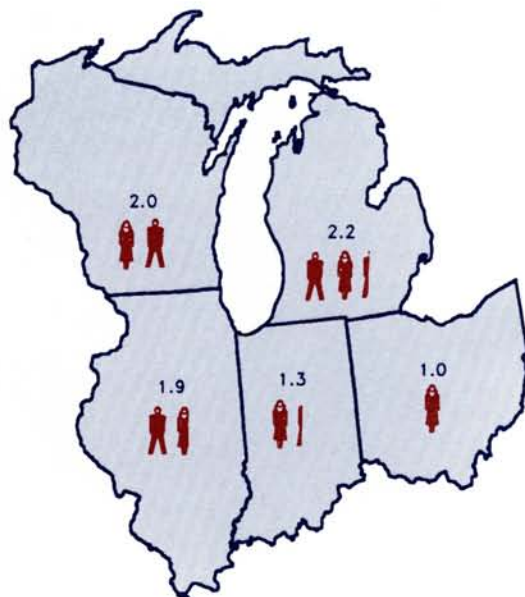
The employment outlook for Michigan and the other Great Lakes states is promising. Capital goods orders are strong, and the auto industry is running on all cylinders. Help-wanted advertising is up, average weekly hours of production workers continue to climb, housing starts are building, and initial claims for unemployment insurance are declining.

Total employment rose 0.9 percent in the first quarter of 1994 in Michigan. The only negative statistic was a 0.3 percent decline in government employment. The state's goods-

Percent Change in Total Employment February 1993 to February 1994



Each figure represents a 1 percent change in total employment.

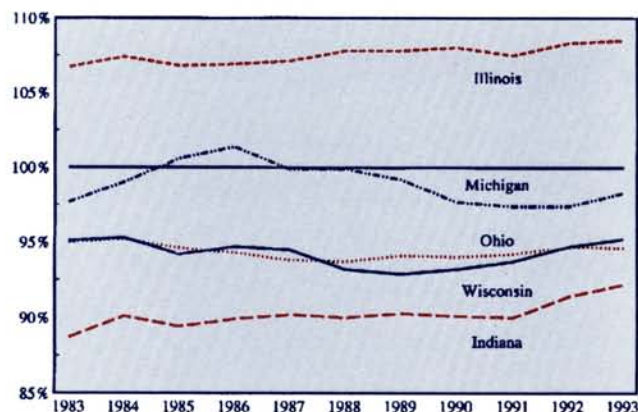


producing sectors, especially durable goods production, are especially strong. Employment rose nearly 2 percent in the first quarter, and production workers are logging in longer hours than in any other state in the nation. In the first quarter, Michigan production workers averaged 44.5 hours per week.

During the twelve-month period ending this past February, manufacturing employment in the Great Lakes states rose 1.3 percent, with Michigan and Wisconsin enjoying the

greatest growth at 2.2 percent and 1.9 percent, respectively. During the same time period, nationwide manufacturing employment declined 0.9 percent.

Per Capita Income as Percent of U.S.



In the auto industry, demand factors are still positive for the Big Three. The nation's auto fleet is old, trade-in values are solid, consumer confidence is high, the dollar remains

Table 3
Total Personal and Per Capita Income

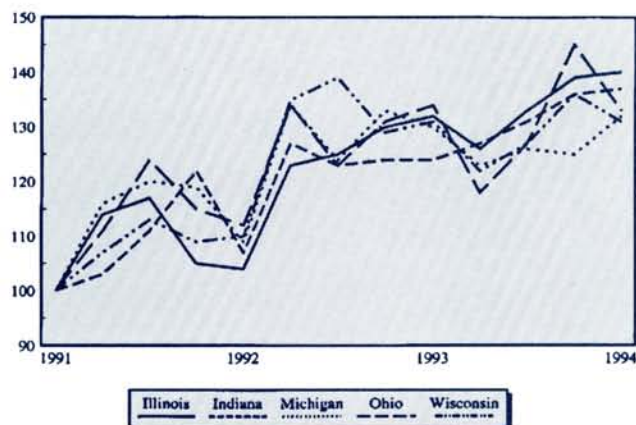
Great Lake Region	1992	1993	Percent change
ILLINOIS			
Total Personal Income	\$252,858	\$264,152	4.5
Per Capita Personal Income	21,774	22,582	3.7
INDIANA			
Total Personal Income	103,922	109,701	5.6
Per Capita Personal Income	18,366	19,203	4.6
MICHIGAN			
Total Personal Income	184,765	193,849	4.9
Per Capita Personal Income	19,586	20,453	4.4
OHIO			
Total Personal Income	209,851	218,371	4.1
Per Capita Personal Income	19,040	19,688	3.4
WISCONSIN			
Total Personal Income	95,049	99,805	5.0
Per Capita Personal Income	19,038	19,811	4.1

NOTE: Total personal income is in millions of current dollars.

weak against the yen, and perhaps most important, the Big Three are being credited for building better cars.

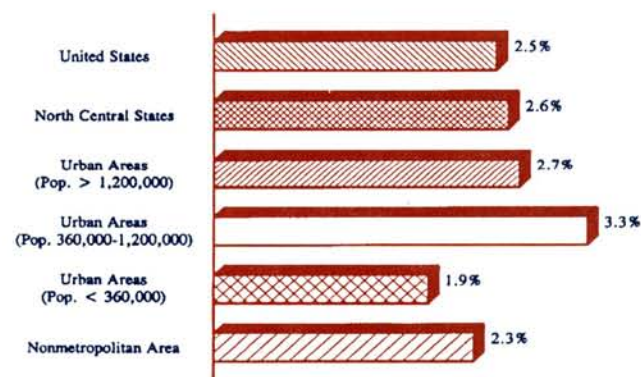
The only problem facing the auto industry is capacity constraints, especially for light trucks and minivans. As of mid-May, General Motors plans to have workers at nine of its assembly plants, which are already running two shifts, start working Saturdays as well. Ford workers are working overtime at all but one of its plants, while workers at seven of Chrysler's North American plants are also working extra hours.

Construction Trends
Index (1991:1=100)



Michigan's robust manufacturing, in combination with more moderate employment gains in its private service-producing sectors, pushed the state's unemployment rate down to 5.4 percent in April, a new twenty-year low.

Percent Change in Regional CPI in North Central States
(March 1993 to March 1994)



Furthermore, indicators are pointing to additional job gains. The Detroit area Index of Help-Wanted Advertising

jumped 10.7 percent in the first quarter of 1994, indicating that further employment gains can be expected in the state's service-producing sectors. In addition, all three of the state components of its Index of Leading Indicators improved in the first quarter, suggesting that further job growth in the goods-producing industries can be expected.

Seasonally unadjusted employment statistics for April provide further evidence of continued job growth. Statewide employment increased 0.7 percent in the month due in part to a seasonal rise in construction employment. Still, compared to the same month last year, total employment is up 2.6 percent, with employment in construction up 5.6 percent from last year's levels and employment in manufacturing up 3.9 percent higher than twelve months earlier. Moreover, the average workweek of the state's production workers remained unchanged from March at 44.7 hours, with workers in the state's auto industry putting in, on average, 47 hours per week.

Motor Vehicles Sales
(Millions of units, seasonally adjusted annual rate)



The only cloud that analysts view in the distance, besides serious capacity constraints in the auto industry, is rising short-term interest rates. Unless interest rates start to accelerate rapidly in the coming months, however, few analysts are forecasting rain.

WEST MICHIGAN ECONOMY

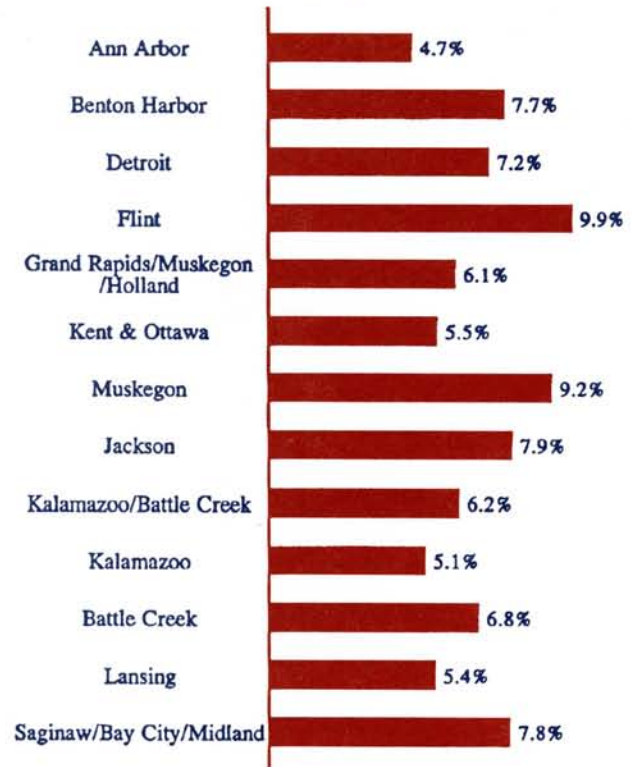
Total employment rose 0.7 percent in the first quarter of 1994 in the three metropolitan areas of West Michigan. With the region's leading indicators pointing up, we are forecasting total employment to increase another 1.0 percent in the second quarter and a further 0.7 percent in the third quarter of 1994.

Pushed by an extremely busy auto supplier industry and increased construction activity, employment in the region's goods-producing sectors rose 1.2 percent in the first quarter of 1994. Even with these new hires, the region's production workers are logging long workweeks. In the first quarter, the average workweek topped 43.0 hours in West Michigan.

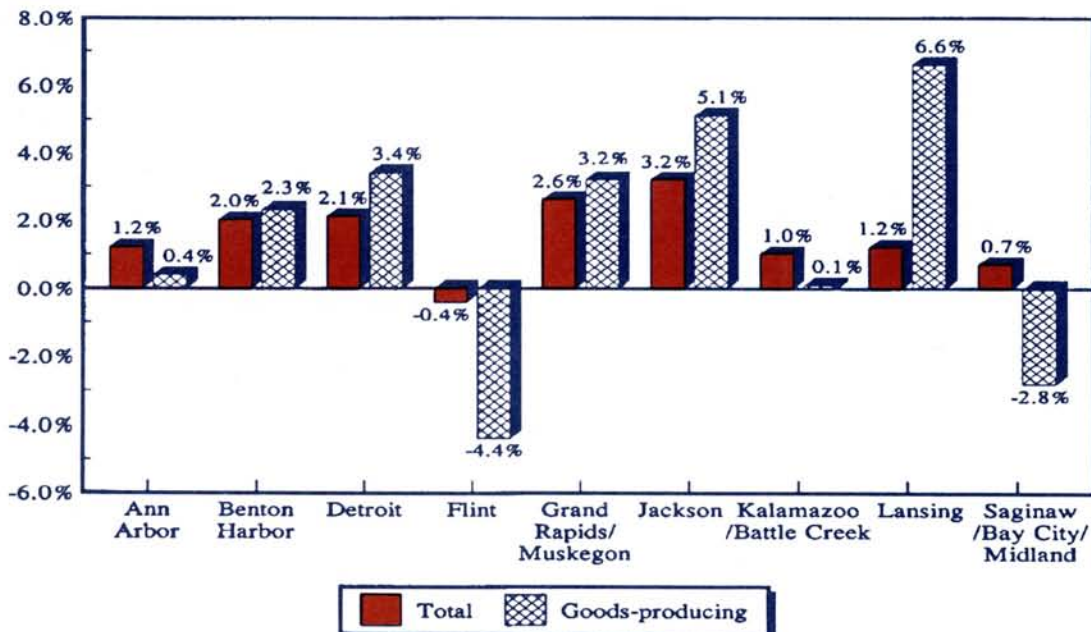
Surprisingly, the region's service-producing sectors grew at less than half the pace of its goods-producing sectors. The region's financial and retail sectors, for example, witnessed very little growth in the first quarter. Given the robust job gains and long workweeks of the region's better-paying manufacturing sector, one would expect stronger employment gains in the area's retail and consumer service industries, such as finance.

The West Michigan unemployment rate stood at 6.2 percent, slightly below that for the nation overall. The first quarter increase in the region's unemployment is due to new surveying procedures and does not reflect a worsening in

**Michigan Metropolitan Areas
1st Quarter Unemployment Rates**
(Seasonally adjusted)

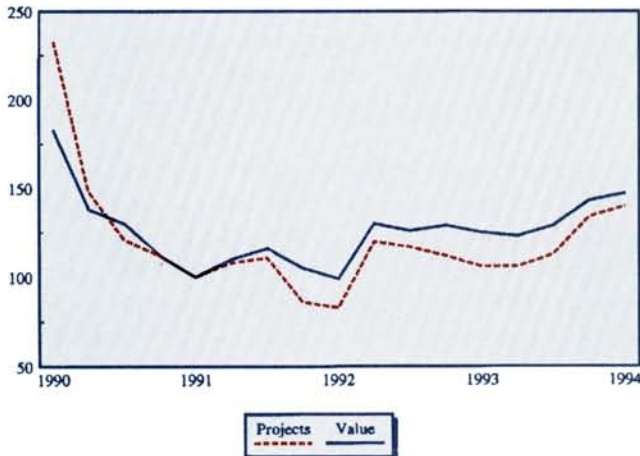


Metropolitan Comparison
Percent Change in Employment 1st Q 1993 to 1st Q 1994



the region's labor market. Based on seasonally unadjusted, preliminary employment statistics for April, the unemployment rate for the three metropolitan areas fell to 4.7 percent.

West Michigan Residential Construction Trends
Index (1991:1=100)



Both the region's Index of Help-Wanted Advertising and its Index of Leading Indicators rose in the quarter, suggesting that further employment growth across most sectors can be expected in the near future. The number of initial claims for unemployment insurance fell in the quarter, while the number of new dwelling units put under contract rose 7.1 percent. However, average weekly hours of production workers fell slightly in the quarter.

Preliminary April employment statistics also showed a decline in the average workweek for production workers. For many the workweek is still very long. For example, primary metal workers in the Benton Harbor MSA worked an average 49.2 hours in April.

Current national and local trends clearly point to further employment gains in the next six months. Employment in the three metropolitan areas is forecasted to grow by 1.0 percent in the current quarter and by a further 0.7 percent in the third quarter.

Finally, our employment forecasts for the summer months may be on the conservative side if weather conditions cooperate. Based on the economic strength of the Great Lakes region, analysts are expecting a solid tourism season this summer for West Michigan.

Major Economic Developments

Battle Creek Area

Triple S Plastics will construct a new plant employing approximately 100 workers.

Benton Harbor Area

Whirlpool Corporation, headquartered in Berrien County, announced that it will build a \$100 million range plant in Tulsa, Oklahoma.

Grand Rapids Area

Donnelly Corporation announced plans to build a new facility in Newaygo that will employ 325 employees.

Diesel Technology Corporation has purchased the former Stowe Davis facility from Steelcase and will add 400 workers.

Muskegon Area

Gerber Products in Fremont will be acquired by Sandoz AG, a Swiss pharmaceutical and chemical company.

Sealed Power is investing \$12 million in its cast iron foundry and recalling 100 laid-off workers.

BENTON HARBOR MSA

Total employment grew a modest 0.4 percent in the Benton Harbor MSA during the first quarter of 1994. Employment is expected to continue to grow in the next two quarters across all sectors, despite a major drop in the area's Help-Wanted Advertising Index.

Employment in the area's goods-producing sectors rose 0.9 percent in the first quarter due, in part, to a 2.2 percent increase in construction activity. During the first quarter, the number of new dwelling units put under contract rose a solid 11.7 percent.

Manufacturing employment also rose in the quarter, due to gains in nondurable goods employment. Fletcher Paper in Watervliet, for instance, has hired more than 30 workers in the past several months.

Whirlpool Corporation, which employs 2,900 workers in Berrien County, selected Tulsa, Oklahoma for the site of its \$100 million range plant. Benton Harbor was considered, but Tulsa was the final pick due to its central location, transportation networks, and a very attractive incentive package. Whirlpool is purchasing the closed Zenith Data Systems (ZDS) engineering and research building and will consolidate various existing activities at the five-year-old facility.

The above sale reflects the decline at ZDS since its purchase by Groupe Bull in 1989. Employment at the computer maker dropped from about 1,800 in 1989 to its current workforce of 950. Moreover, Bull recorded a loss of \$895 million in 1993. Still, ZDS research and development staff recently won the CeBIT Highlight award for its Z-Stor per-

sonal server which links a network of one to twenty personal computers, allowing PCs to share files and printers.

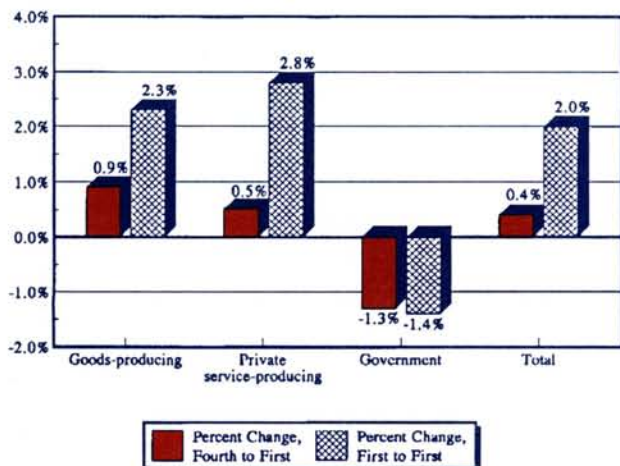
The auto industry's strong impact on the area can be detected by the robust employment gains recorded in auto-related fabricated metals and in the plastics and rubber products industries in the past year. Employment in fabricated metals rose 16.1 percent, while employment in plastics and rubber products increased 7.1 percent.

The area's unemployment rate stood at 7.7 percent in the first quarter, but should not be compared to the previous quarter's rate of 7.3 percent, due to significant changes in surveying methodology. The unemployment rate is partially based on a national monthly survey which was redesigned to eliminate questions that lead to undercounting the number of unemployed men and, especially, women in the workforce. In April, the area's seasonally unadjusted unemployment rate dropped to 5.8 percent.

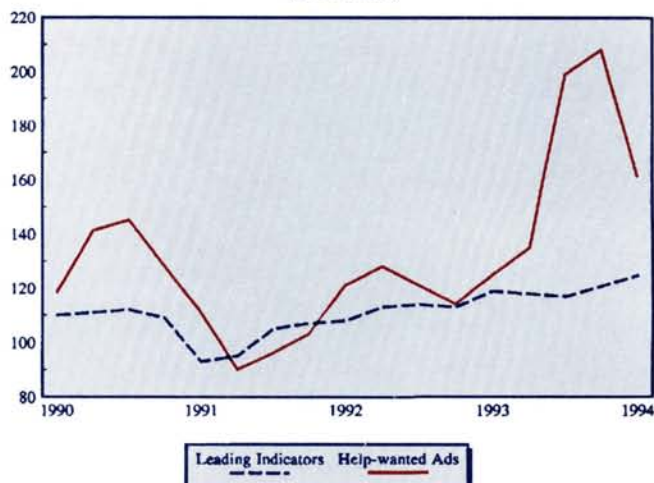
Area indicators are mixed. The Benton Harbor Index of Leading Indicators rose 2.8 percent and the new Employment Services Index reached 91.7 percent (a reading of 50 percent or greater indicates that net job orders are up). On the other hand, the area's Help-Wanted Advertising Index dropped 22.6 percent in the first quarter, but this is more reflective of the extraordinarily high third-quarter reading. Finally, Manpower Incorporated's quarterly employment survey found that 20 percent of surveyed area firms expect to hire more workers this spring.

The Upjohn Institute predicts total employment to increase 1.1 percent in the current second quarter and an additional 0.8 percent in the third quarter.

**Benton Harbor MSA
Employment Growth**
(Seasonally adjusted annual rate)



**Benton Harbor MSA
Economic Indexes**
(1991=100)



Benton Harbor MSA
(Adjusted for seasonal variations)

Measure	1994 First quarter	1993 Fourth quarter	Percent change fourth to first	1993 First quarter	Percent change first to first	Forecast 1994 ^b	
						Second quarter	Third quarter
Employment							
Total.....	68,000	67,760	0.4	66,640	2.0	68,740 (1.1)	69,270 (0.8)
Goods-producing.....	22,290	22,090	0.9	21,790	2.3	22,600 (1.4)	22,800 (0.9)
Construction & mining.....	1,880	1,840	2.2	1,800	4.4		
Manufacturing.....	20,410	20,260	0.7	19,990	2.1		
Durable goods.....	14,820	14,810	0.1	14,560	1.8		
Nondurable goods.....	5,580	5,440	2.6	5,430	2.8		
Private service-producing.....	36,680	36,510	0.5	35,690	2.8	37,120 (1.2)	37,460 (0.9)
Transportation & public utilities..	2,840	2,850	-0.4	2,740	3.6		
Wholesale trade.....	2,230	2,230	0.0	2,140	4.2		
Retail trade.....	12,340	12,250	0.7	11,920	3.5		
Finance, insurance & real estate	2,610	2,600	0.4	2,570	1.6		
Services.....	16,660	16,580	0.5	16,330	2.0		
Government.....	9,030	9,150	-1.3	9,160	-1.4	9,030 (0.0)	9,010 (-0.1)
Unemployment							
Number unemployed.....	6,440	6,070	6.1	5,890	9.3		
Unemployment rate.....	7.7	7.3	5.5	7.3	5.5		
Local Indexes							
Help-wanted ads.....	161	208	-22.6	125	28.8		
Leading indicators.....	125	121	3.3	119	5.0		
Local components:							
Average weekly hours.....	42.8	43.1	-0.7	43.1	-0.7		
UI initial claims.....	195	199	-2.0	214	-8.9		
New dwelling units ^a	557	499	11.7	534	4.2		

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from *Benton Harbor Palladium*, and employment data from MESC. National components of the leading indicators in Table A-5.

NOTE: Catagories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

b. Numbers in parentheses below each row total represent percent change from the preceding quarter.

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from *Benton Harbor Palladium*, and employment data from MESIC. National components of the leading indicators in Table A-5.

NOTE: Categories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

b. Numbers in parentheses below each row total represent percent change from the preceding quarter.

Industry Employment Change
First Quarter-First Quarter
(Unadjusted for seasonal variations)

Industry	1st Q 94	1st Q 93	Percent change	Industry	1st Q 94	1st Q 93	Percent change
Goods Producing.....	21,833	21,433	1.9	Service Producing.....	44,967	44,067	2.0
Primary metals.....	2,000	1,867	7.1	Business services.....	3,600	3,533	1.9
Fabricated metals.....	1,667	1,433	16.3	Health services.....	4,933	4,733	4.2
Industrial machinery.....	4,900	5,167	-5.2	Government.....	9,100	9,233	-1.4
Electronic equipment.....	2,900	--	--	Federal government.....	400	400	0.0
Transportation equipment..	1,300	--	--	State government.....	500	500	0.0
Food & kindred products	1,033	1,100	-6.1	Local government.....	8,133	8,267	-1.6
Printing & publishing.....	1,800	1,800	0.0	Local government health serv.	500	500	0.0
Plastics & rubber.....	2,000	1,867	7.1	Local government education..	4,900	5,100	-3.9

GRAND RAPIDS–MUSKEGON–HOLLAND MSA

Total employment increased 0.9 percent in the four-county metropolitan area (Allegan, Kent, Muskegon, Ottawa) during the first quarter of 1994, powered by a strong goods-producing sector. Local indicators are positive, and further employment gains are foreseen during the second and third quarters of 1994.

Employment in the area's goods-producing sectors rose 1.5 percent in the first quarter of 1994, with employment gains reported across all major industries. Several of the area's auto suppliers, including Benteler, Sealed Power, and Gentex, are either hiring new workers or recalling previously laid-off workers. Moreover, Donnelly, a maker of mirrors, windows, and other automotive parts, announced that it is building a new plant in Newaygo, just outside the metropolitan area, that will create 325 jobs.

Employment in nearly all of the area's major manufacturing sectors rose in the four-quarter period ending in the first quarter of this year. Employment in the auto-related plastics and fabricated metals industries rose by 10 percent and 4.4 percent, respectively, during the period. Only in the area's printing industry did employment decline.

Employment in the area's private service-producing sectors was also up in the first quarter, rising by 0.6 percent. Government employment was also up in the quarter.

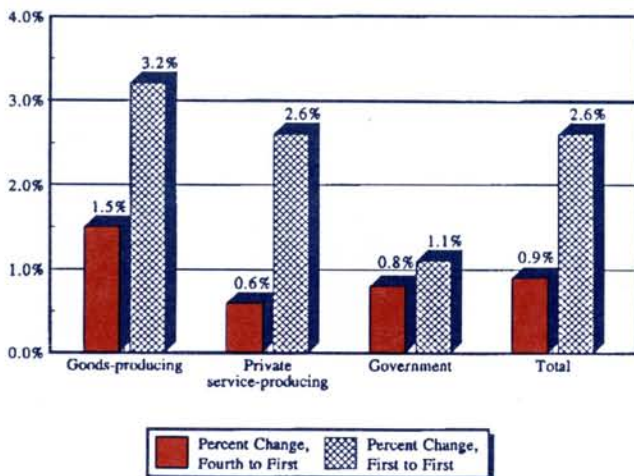
The unemployment rate for the Grand Rapids-Holland-Muskegon MSA stood at 6.1 percent in the first quarter, but is not comparable to the lower 5.7 rate for the last quarter of 1993, due to changes in surveying procedures.

Area indicators point to future employment gains in the coming months. The Index of Leading Indicators, which monitors employment trends in the goods-producing sectors, rose 2.6 percent. In addition the Index of Help-Wanted Advertising rose 6.2 percent, indicating further job gains in the service-producing sectors as well.

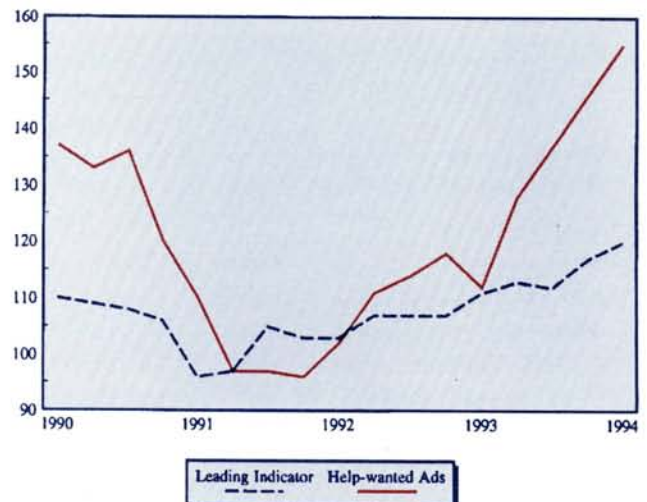
Preliminary employment statistics for April showed additional job gains and further declines in the area unemployment rate. Total employment, unadjusted for seasonal variations, rose 0.8 percent in the month due to a strong seasonal 10.8 percent jump in construction and a solid 1.2 percent gain in the service-producing sectors. The area's unemployment rate fell to 4.4 percent from 5.6 percent in March.

The Upjohn Institute forecasts employment gains to continue in the coming months as well. Total employment is forecasted to grow 1.0 percent in the second quarter, pushed by the rebounding service-producing sectors. Total employment is expected to grow an additional 0.7 percent in the third quarter.

Grand Rapids–Muskegon–Holland MSA
Employment Growth
(Seasonally adjusted annual rate)



Grand Rapids–Muskegon–Holland MSA
Economic Indexes
(1991=100)



Grand Rapids–Muskegon–Holland MSA
(Adjusted for seasonal variations)

Measure	1994 First quarter	1993 Fourth quarter	Percent change fourth to first	1993 First quarter	Percent change first to first	Forecast 1994 ^b	
						Second quarter	Third quarter
Employment							
Total	473,310	469,090	0.9	461,000	2.6	478,200 (1.0)	481,750 (0.7)
Goods-producing	157,240	154,970	1.5	152,430	3.2	158,680 (0.9)	159,630 (0.6)
Construction & mining.....	19,320	19,030	1.5	18,670	3.5		
Manufacturing.....	137,930	135,940	1.5	133,761	3.1		
Durable goods.....	89,780	88,340	1.6	87,120	3.1		
Nondurable goods.....	48,150	47,590	1.2	46,640	3.2		
Private service-producing	265,070	263,540	0.6	258,230	2.6	268,240 (1.2)	270,530 (0.9)
Transportation & public utilities....	17,080	16,960	0.7	16,750	2.0		
Wholesale trade.....	29,670	29,520	0.5	29,250	1.4		
Retail trade.....	84,260	84,270	0.0	83,520	0.9		
Finance, insurance & real estate....	19,230	19,280	-0.3	19,000	1.2		
Services.....	114,840	113,520	1.2	109,720	4.7		
Government	50,990	50,580	0.8	50,440	1.1	51,280 (0.6)	51,600 (0.6)
Unemployment							
Number unemployed.....	28,880	26,800	7.8	27,170	6.3		
Unemployment rate.....	6.1	5.7	6.6	5.9	2.9		
Local Indexes							
Help-wanted ads.....	155	146	6.2	112	38.4		
Leading indicators.....	120	117	2.6	111	8.1		
Local components:							
Average weekly hours.....	43.0	43.0	0.0	41.5	3.6		
UI initial claims.....	1,183	1,223	-3.3	1,320	-10.4		
New dwelling units ^a	5,463	5,382	1.5	3,834	42.5		

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from *Grand Rapids Press* and *Muskegon Chronicle*, and employment data from MESC. National components of leading indicators in Table A-5.

NOTE: Categories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

b. Numbers in parentheses below each row total represent percent change from the preceding quarter.

Industry Employment Change
First Quarter–First Quarter
(Unadjusted for seasonal variations)

Industry	1st Q 94	1st Q 93	Percent change	Industry	1st Q 94	1st Q 93	Percent change
Goods Producing	154,367	149,533	3.2	Auto dealers & service.....	7,900	8,000	-1.3
Furniture & fixtures.....	21,800	21,333	2.2	Eating & drinking places.....	26,833	26,733	0.4
Primary metals.....	5,033	4,700	7.1	Depository institutions.....	7,167	7,067	1.4
Fabricated metals.....	20,367	19,500	4.4	Business services.....	23,367	20,067	16.4
Industrial machinery.....	18,200	17,533	3.8	Health services.....	33,900	33,367	1.6
Transportation equipment..	7,767	7,733	0.4	Educational services.....	8,433	8,300	1.6
Food & kindred products..	10,700	10,600	0.9	Social services.....	8,833	8,400	5.2
Apparel & other textiles...	6,133	6,067	1.1	Government	52,633	52,033	1.2
Printing & publishing.....	5,867	6,033	-2.8	Federal government.....	3,900	3,600	8.3
Plastics & rubber.....	8,400	7,633	10.0	State government.....	6,200	6,133	1.1
Service Producing	313,167	305,833	2.4	Local government.....	42,500	42,333	0.4
General merchandise stores	16,067	15,467	3.9				
Food stores.....	10,100	10,300	-1.9				

Grand Rapids Area (Kent-Ottawa Counties)

Total employment is estimated to have grown 0.8 percent in the first quarter of 1994 in Kent and Ottawa Counties. Further gains are expected, especially in the area's robust manufacturing sector, during the second and third quarters of this year. These predictions are further supported by positive readings of various local indices.

Employment in the Grand Rapids area's goods-producing sectors rose an estimated 1.4 percent in the first quarter. Many area auto suppliers are expanding their workforce, while employment in the office furniture sector remains stable.

In a move that is as symbolic as it is beneficial to the local economy, Diesel Technology Corporation (DTC) has purchased the former Stow Davis Wood furniture plant from Steelcase and plans to add 400 workers once the plant is refurbished. This is the first time in 82 years that Steelcase will be closing a facility. The 600 production workers affected by the sale will be relocated at another Steelcase facility. In addition, Benteler Industries will hire 100 people at its two Grand Rapids area plants in the next three months.

On a negative note, Smith Industries announced that it is forced to lay off 75 salaried employees by the end of this month due to further cuts in defense spending.

Service-producing employment rose an estimated 0.5 percent in the first quarter, while government employment grew 0.7 percent.

The Grand Rapids area's unemployment rate stood at 5.5 percent in the first quarter, but is not comparable to the fourth quarter rate of 5.1 percent due to changes in surveying procedures. According to preliminary unemployment estimates, which are not adjusted for seasonal variation, the unemployment rate in Kent and Ottawa County dipped to 4.1 and 3.5 percent, respectively, in April.

Nearly all of the area's economic indicators are positive including its Index of Help-Wanted Advertising, which is up 6.7 percent, and its Purchasing Manager's Index, which rose to 72 in April from 69.5 in March. The new Employment Services Index for the area registered a reading of 75.6 percent, with any reading above 50 percent suggesting improving job orders.

The Upjohn Institute forecasts total employment to grow 1.1 percent in the current second quarter and by an additional 0.7 percent in the third quarter.

Grand Rapids Area

	1994 First quarter	1993 Fourth quarter	Percent change quarter to quarter	1993 First quarter	Percent change first to first	Forecast 1994			
						Second quarter	Percent change first to second	Third quarter	Percent change second to third
Employment									
Goods producing	122,330	120,600	1.4	116,760	4.8	123,700	1.1	124,510	0.7
Services producing . . .	223,550	222,520	0.5	214,490	4.2	226,250	1.2	228,160	0.8
Government	37,070	36,800	0.7	36,870	0.5	37,270	0.5	37,370	0.3
Total employment . .	382,950	379,920	0.8	368,120	4.0	387,220	1.1	390,040	0.7
Unemployment									
Number	21,750	20,290	n.c.	20,620	n.c.				
Rate	5.5	5.1	n.c.	5.3	n.c.				
Indicators									
Help-wanted ads.	159	149	6.7	115	38.3				
UI claims	908	939	-3.3	1,025	-11.4				
New dwelling units . .	4,581	4,643	-1.3	3,261	40.5				
		Latest month		Previous month					
Employment Services Index*		75.6 (March)		n.a.					
Purchasing Management Index*		72.0 (April)		54.0					

NOTES: *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change). n.c. = not comparable. n.a. = not available.

Muskegon Area (Muskegon County)

Total employment in the Muskegon area grew by an estimated 0.8 percent in the first quarter of 1994, powered by a robust manufacturing sector. Future employment gains are forecasted for the second and third quarters of 1994.

Employment in Muskegon's goods-producing sectors rose an estimated 1.8 percent in the first quarter of 1994, powered by employment gains at several of the area's auto suppliers. Sealed Power is investing \$12 million and calling back 100 laid-off workers at its Harvey Street cast iron foundry. In addition, Grand Haven Assembled Products, a new spin-off of JSJ Corporation, has signed a contract with Honda that will create between 60 and 70 jobs in the next two years.

Finally, in contrast to the region's other office furniture companies, Knoll Group has hired nearly 70 new workers and now employs 546 workers.

Employment in the area's service-producing sectors rose a smaller 0.4 percent in the first quarter, while government employment is estimated to have increased by 0.2 percent.

In the first quarter, Muskegon's unemployment rate stood at 9.2 percent, which cannot be compared to the fourth-

quarter rate of 8.5 percent due to changes in surveying procedures. According to preliminary unemployment estimates for April, which are not adjusted for seasonal variation, the Muskegon County unemployment rate dropped to 6.9 percent, which is the lowest rate for the county since 1979.

One indication of growing tightness in the area's labor market is reported difficulty experienced by the area's tourist-related industry in finding enough young adults to work for the coming summer months.

Muskegon indicators are all positive and point to improving employment conditions in the coming months. The area's Help-Wanted Advertising Index rose a robust 10.4 percent in the first quarter. The number of new dwelling units jumped by 31.6 percent in the quarter. Finally, the new Employment Services Index for March reached 86.7 percent; any reading above 50 percent suggests improving hiring conditions.

The Upjohn Institute's employment forecasts for the second and third quarters of 1994 are equally positive. Total employment is expected to grow by 1.0 percent in the current second quarter, due in part to an expected 1.4 percent gain in goods-producing employment.

Muskegon Area

	1994 First quarter	1993 Fourth quarter	Percent change quarter to quarter	1993 First quarter	Percent change first to first	Forecast 1994			
						Second quarter	Percent change first to second	Third quarter	Percent change second to third
Employment									
Goods producing	17,270	16,970	1.8	16,770	3.0	17,250	1.4	17,690	1.0
Services producing . . .	31,040	30,920	0.4	30,270	2.5	31,370	1.1	31,650	0.9
Government	9,310	9,290	0.2	9,430	-1.3	9,290	-0.2	9,260	-0.3
Total employment . . .	57,620	57,180	0.8	56,470	2.0	58,180	1.0	58,600	0.7
Unemployment									
Number	7,130	6,520	n.c.	6,550	n.c.				
Rate	9.2	8.5	n.c.	8.8	n.c.				
Indicators									
Help-wanted ads	138	125	10.4	99	39.4				
UI claims	276	284	-2.8	295	-6.4				
New dwelling units . . .	961	730	31.6	609	57.8				
		Latest month		Previous month					
Employment Services Index*		86.7 (March)		n.a.					

NOTES: *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change). n.c. = not comparable. n.a. = not available.

KALAMAZOO-BATTLE CREEK MSA

Total employment inched up just 0.1 percent in the first quarter of 1994 in the three-county metropolitan area (Calhoun, Kalamazoo, and Van Buren), but more robust employment gains are expected in the coming months. Area indicators are positive, and the forecast calls for modest employment increases in the second quarter followed by stronger gains in the third quarter.

Employment in the area's goods-producing sectors rose only 0.2 percent in the first quarter, despite a 1.6 percent increase in durable goods production. Low interest rates triggered a jump in new dwelling units put under contract; however, the area witnessed only a 0.2 percent increase in construction employment.

Employment levels in major firms remained stable in the first quarter, with employment gains reported only in the area's smaller firms. For example, Hammond Machinery Incorporated, a maker of grinding and other industrial machinery, announced plans to add 23 new jobs, and Total Plastics is expecting to hire 15 additional workers. Still, average weekly hours of production workers are above 44 hours, suggesting further employment gains are possible.

Employment in the area's larger private service-producing sectors rose a modest 0.3 percent, with gains reported across all sectors except wholesale trade. Finally, employment in government declined 0.5 percent.

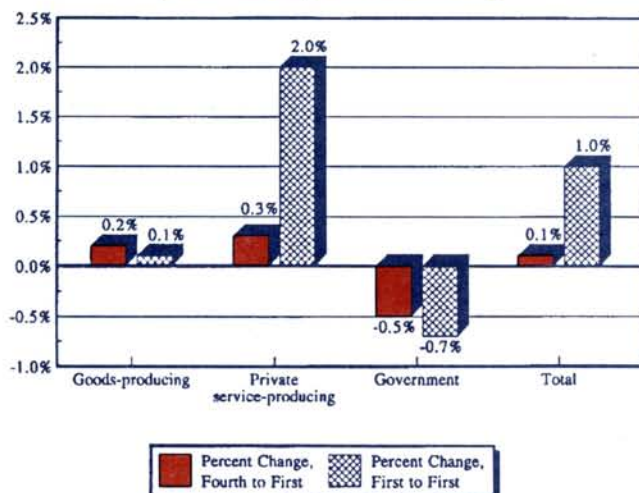
A well-known concern about the area's economic competitiveness has been its reported high cost of health care. However, according to a recently published report commissioned by the Southwest Michigan Healthcare Coalition, the area's three major hospitals, Battle Creek Health Systems, Borgess Medical Center, and Bronson Methodist Hospital, costs were found to be nearly 14 percent below the national average for thirty categories of medical conditions. The report findings suggest that great strides have been made in the cost of medical care in the area, turning a liability into a possible strength.

The unemployment rate for the Kalamazoo-Battle Creek MSA reached 6.2 percent in the first quarter, which is higher than the final quarter in 1993 but not comparable due to changes in the survey procedures.

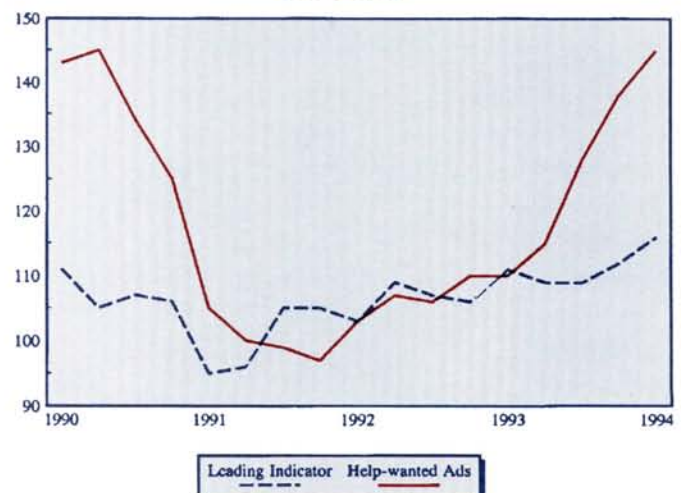
Both the area's Index of Leading Indicators and its Index of Help-Wanted Advertising were positive in the first quarter. The Index of Leading Indicators rose 3.6 percent, suggesting further employment gains in the goods-producing sectors. At the same time, the Index of Help-Wanted Advertising rose 5.1 percent, indicating further job growth in the services sectors.

The Upjohn Institute is forecasting employment to increase 0.8 percent in the current second quarter and a strong 1.4 percent in the third quarter.

**Kalamazoo-Battle Creek MSA
Employment Growth
(Seasonally adjusted annual rate)**



**Kalamazoo-Battle Creek MSA
Economic Indexes
(1991=100)**



Kalamazoo-Battle Creek MSA
(Adjusted for seasonal variations)

Measure	1994 First quarter	1993 Fourth quarter	Percent change fourth to first	1993 First quarter	Percent change first to first	Forecast 1994 ^b	
						Second quarter	Third quarter
Employment							
Total	196,860	196,600	0.1	194,920	1.0	198,490 (0.8)	199,600 (1.4)
Goods-producing	56,000	55,870	0.2	55,920	0.1	56,430 (0.8)	56,600 (0.3)
Construction & mining	6,540	6,530	0.2	6,480	0.9		
Manufacturing	49,470	49,330	0.3	49,440	0.1		
Durable goods	21,240	20,900	1.6	21,350	-0.5		
Nondurable goods	28,230	28,440	-0.7	28,090	0.5		
Private service-producing	106,980	106,690	0.3	104,900	2.0	108,020 (1.0)	108,730 (0.7)
Transportation & public utilities ..	6,220	6,140	1.3	6,170	0.8		
Wholesale trade	6,710	6,740	-0.4	6,650	0.9		
Retail trade	36,620	36,470	0.4	35,780	2.3		
Finance, insurance, & real estate ..	10,340	10,330	0.1	10,150	1.9		
Services	47,100	47,020	0.2	46,170	2.0		
Government	33,870	34,050	-0.5	34,100	-0.7	34,050 (0.5)	34,260 (0.6)
Unemployment							
Number unemployed	12,810	11,550	10.9	11,450	11.9		
Unemployment rate	6.2	5.6	9.7	5.7	8.6		
Local Indexes							
Help-wanted ads	145	138	5.1	110	31.8		
Leading indicators	116	112	3.6	111	4.5		
Local components:							
Average weekly hours	44.2	44.4	-0.5	43.5	1.6		
UI initial claims	604	615	-1.8	591	2.2		
New dwelling units ^a	1,865	1,335	39.6	1,379	35.2		

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from *Kalamazoo Gazette* and *Battle Creek Enquirer*, and employment data from MESC. National components of the leading indicators in Table A-5.

NOTE: Categories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

b. Numbers in parentheses below each row total represent percent change from the preceding quarter.

Industry Employment Change
First Quarter-First Quarter
(Unadjusted for seasonal variations)

Industry	1st Q 94	1st Q 93	Percent change	Industry	1st Q 94	1st Q 93	Percent change
Goods Producing	54,900	54,800	0.2	Service Producing	140,600	138,800	1.3
Primary metals	1,233	1,333	-7.5	General merchandise stores ..	6,367	6,033	5.5
Fabricated metals	6,100	6,600	-7.6	Food stores	4,200	4,300	-2.3
Industrial machinery	4,300	4,100	4.9	Auto dealers & service	3,700	3,633	1.8
Transportation equipment ..	4,533	4,467	1.5	Eating & drinking places	13,100	12,833	2.1
Food & kindred products ..	7,467	7,567	-1.3	Health services	16,500	16,267	1.4
Paper & allied products	5,167	5,167	0.0	Government	35,333	35,533	-0.6
Printing & publishing	2,900	2,933	-1.1	Federal government	5,567	5,600	-0.6
Chemicals & allied products	8,133	8,100	0.4	State government	9,133	9,367	-2.5
Plastics & rubber	3,867	3,667	5.5	Local government	20,633	20,600	0.2

Kalamazoo Area (Kalamazoo County)

Total employment decreased by an estimated 0.3 percent in the first quarter of 1994. However, modest employment gains are expected in the coming months as all the area's economic indicators are positive.

Employment in the area's goods-producing sectors rose 0.2 percent in the first quarter of 1994. No major expansion or contraction plans have been announced by area firms. At the General Motors Comstock Plant, which is scheduled to close in 1998, the local union agreed to a three-year "living agreement" contract which allows management or the union to make major changes with only sixty days notice. The agreement adds flexibility as well as uncertainty to the production at the plant. Although it will have a minimum impact on employment, Eaton Corporation announced that it will build a \$2.5 million, 40,000-square foot expansion to its facility.

Employment in the area's service-producing sectors fell a modest 0.3 percent in the first quarter, while government employment declined 0.9 percent.

The Kalamazoo area's unemployment rate stood at 5.1 percent in the first quarter and remains substantially below

the nation's rate of 6.4 percent. Moreover, according to preliminary, seasonally unadjusted employment statistics, the county's unemployment rate dropped to 4 percent in April.

Area indicators support our forecast for further employment growth in the coming months. The Index of Help-Wanted Advertising rose 5.7 percent. The March reading of the new Employment Services Index stood at 69.8 percent, where any reading over 50 percent suggests further job openings.

The Purchasing Managers Survey has been reporting solid business conditions for the area's manufacturers since the beginning of the year. Auto suppliers are reporting extremely strong sales; however, the paper industry is facing tough competition from Canada in an already sluggish market.

During the current second quarter, the Upjohn Institute expects total employment to increase 1.0 percent, and in the third quarter a further 0.7 percent. The auto industry and increased home construction are expected to be the driving forces in pushing employment in the area's goods-producing sectors up by 0.9 percent in the second quarter.

Kalamazoo Area

	1994 First quarter	1993 Fourth quarter	Percent change quarter to quarter	1993 First quarter	Percent change first to first	Forecast 1994			
						Second quarter	Percent change first to second	Third quarter	Percent change second to third
Employment									
Goods producing . . .	32,850	32,780	0.2	32,130	2.2	33,150	0.9	33,330	0.5
Services producing . .	67,200	67,420	-0.3	65,750	2.2	67,990	1.2	68,590	0.9
Government	17,920	18,070	-0.8	18,170	-1.4	18,000	0.4	18,060	0.3
Total employment ..	117,970	118,270	-0.3	116,050	1.7	119,140	1.0	119,980	0.7
Unemployment									
Number	6,370	5,490	n.c.	5,560	n.c.				
Rate	5.1	4.5	n.c.	4.6	n.c.				
Indicators									
Help-wanted ads. . . .	149	141	5.7	115	29.6				
UI claims	285	262	8.8	302	-5.6				
New dwelling units ..	1,278	942	35.7	841	52.0				
		Latest month		Previous month					
Employment Services Index*		69.8 (March)		n.a.					
Purchasing Management Index*		67.5 (April)		68.5					

NOTES: *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change) n.c. = not comparable. n.a. = not available..

Battle Creek Area (Calhoun County)

Total employment increased an estimated 0.4 percent in the first quarter of 1994 in the Battle Creek area. Indicators are positive and support our forecast for further employment growth in the next two quarters of 0.9 and 0.6, respectively.

Employment in the Battle Creek area's goods-producing sectors rose an estimated 0.2 percent in the first quarter. Employment gains in the area's auto suppliers offset the loss of 30 jobs resulting from the closure of Gala Foods sugar-processing plant. Triple S Plastics announced that it will open a new plant in the Fort Custer Industrial Park, which will employ about 100 workers. The new plant will supply parts to several of the industrial park's existing auto suppliers, including I.I. Stanley and Tokai Rika U.S.A.

Employment in the area's service-producing sectors grew 0.7 percent in the first quarter, despite the fact that 100 retail jobs were eliminated with the close of the two Kennedy grocery stores owned by Jackson-based Kenco, Inc.

Government employment declined 0.3 percent in the first quarter. However, the Federal Aviation Administration

announced that its current field office at W.K. Kellogg Airport will stay in operation, preserving 60 jobs.

The Battle Creek area unemployment rate stood at 6.8 percent in the first quarter of 1994, which is not comparable to the fourth-quarter rate of 6.2 percent because of significant changes in the national household employment survey. According to the preliminary, seasonally unadjusted employment statistics for April, Calhoun County's unemployment rate dropped to 5.4 percent.

Indicators suggest that the area's unemployment rate will decline in the coming months. The Index of Help-Wanted Advertising increased a strong 11.3 percent in the first quarter, suggesting further employment growth in the service-producing sectors. Moreover, initial claims for unemployment insurance fell, and the number of new dwelling units put under contract rose sharply. The area's new Employment Services Index stood at 74.4 percent. A reading above 50 percent indicates that the number of job placements is rising.

The Upjohn Institute forecasts area employment to grow by 0.9 percent in the second quarter and 0.6 percent in the third quarter.

Battle Creek Area

	1994 First quarter	1993 Fourth quarter	Percent change quarter to quarter	1993 First quarter	Percent change first to first	Forecast 1994			
						Second quarter	Percent change first to second	Third quarter	Percent change second to third
Employment									
Goods producing	18,340	18,300	0.2	18,270	0.4	18,490	0.8	18,570	0.4
Services producing	31,210	30,990	0.7	30,840	1.2	31,510	1.0	31,740	0.7
Government	11,110	11,140	-0.3	11,380	-2.4	11,200	0.8	11,240	0.4
Total employment	60,660	60,430	0.4	60,490	0.3	61,200	0.9	61,550	0.6
Unemployment									
Number	4,600	4,150	n.c.	3,980	n.c.				
Rate	6.8	6.2	n.c.	6.1	n.c.				
Indicators									
Help-wanted ads	108	97	11.3	90	20.0				
UI claims	316	354	-10.7	287	10.1				
New dwelling units	530	426	24.4	482	10.0				
		Latest month		Previous month					
Employment Service Index*		74.4 (March)		n.a.					

NOTES: *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change). n.c. = not comparable. n.a. = not available.

Table A-1
Michigan (Statewide) Statistics
(Adjusted for seasonal variations)

Measure	1994 First quarter	1993 Fourth quarter	Percent change fourth to first	1993 First quarter	Percent change first to first
Employment					
Goods-producing	1,062,620	1,043,100	1.9	1,035,250	2.6
Construction & mining	135,640	133,680	1.5	129,870	4.4
Manufacturing	926,980	909,420	1.9	905,380	2.4
Durable goods	688,190	673,830	2.1	672,870	2.3
Nondurable goods	238,790	235,590	1.4	232,510	2.7
Private service-producing	2,338,220	2,318,540	0.8	2,282,000	2.5
Transportation & pub. utilities	157,180	157,130	0.0	155,920	0.8
Wholesale trade	197,660	196,050	0.8	198,250	-0.3
Retail trade	750,000	743,950	0.8	734,320	2.1
Finance, insurance & real estate	192,770	191,960	0.4	191,680	0.6
Services	1,040,610	1,029,450	1.1	1,001,830	3.9
Government	638,310	640,080	-0.3	639,560	-0.2
Total	4,039,150	4,001,710	0.9	3,956,820	2.1
Unemployment					
Number unemployed	352,600	330,330	6.7	323,570	9.0
Unemployment rate	7.4	7.0	5.7	7.0	5.7
State indexes					
Help-wanted ads:					
Detroit	166	150	10.7	119	39.5
West Michigan (3 MSAs)	151	147	2.7	112	34.8
Leading indicators	119	115	3.5	111	7.2
Local components:					
Average weekly hours	44.5	44.1	0.9	42.5	4.7
UI initial claims	14,306	15,765	-9.3	16,740	-14.5
New dwelling units ^a	38,708	36,944	4.8	37,202	4.0

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F. W. Dodge Division, McGraw Hill Information Systems Company, Detroit help-wanted index from The Conference Board and employment data from MESC. National components of the leading indicators in Table A-5.

NOTE: Categories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

Michigan
Industry Employment Change
First Quarter to First Quarter

Industry	1st Q 94	1st Q 93	Percent change	Industry	1st Q 94	1st Q 93	Percent change
Goods-Producing	1,046,967	1,019,000	2.7	Auto dealers & serv. stations ..	76,167	73,667	3.4
Lumber & wood products ..	15,367	15,000	2.4	Apparel & accessory stores ...	38,033	37,000	2.8
Furniture & fixtures	34,600	34,000	1.8	Home furn. & equip. stores ...	27,200	27,667	-1.7
Primary metals	36,967	36,000	2.7	Eating & drinking places	255,800	249,000	2.7
Fabricated metals	118,800	115,333	3.0	Hotels & other lodging places	33,133	31,333	5.7
Industrial machinery	119,000	116,333	-2.2	Business services	206,500	192,000	7.6
Electronic equipment	30,533	30,333	0.7	Health services	332,967	327,000	1.8
Transportation equipment ..	290,533	283,677	2.4	Private education services	41,300	40,000	3.3
Food & kindred products ..	41,367	41,667	-0.7	Social services	76,100	71,667	6.2
Apparel	17,800	17,000	4.7	Government	652,400	653,667	-0.2
Paper & allied products ...	21,167	21,000	0.8	Federal government	55,900	57,333	-2.5
Printing & publishing	43,767	44,333	-1.3	State government	169,800	169,667	0.1
Chemicals & allied products	44,833	46,000	-2.5	Local government	426,733	427,000	-0.1
Plastics & rubber	59,400	53,667	10.7	Local government health serv.	15,033	15,000	0.2
Service-Producing	2,947,000	2,891,000	1.9	Local government education ..	259,000	259,667	-0.3
General merchandise stores	119,167	118,000	1.0				
Food stores	98,667	97,000	1.7				

Table A-2
West Michigan (3 MSAs) Statistics
(Adjusted for seasonal variations)

Measure	1994 First quarter	1993 Fourth quarter	Percent change fourth to first	1993 First quarter	Percent change first to first
Employment					
Goods-producing	235,570	232,850	1.2	230,160	2.4
Construction & mining	27,770	27,380	1.4	26,970	3.0
Manufacturing	207,800	205,470	1.1	203,180	2.3
Durable goods	125,850	124,020	1.5	123,040	2.3
Nondurable goods	81,960	81,460	0.6	80,140	2.3
Private service-producing	408,900	406,780	0.5	398,970	2.5
Transportation & pub. utilities ..	26,150	25,970	0.7	25,660	1.9
Wholesale trade	38,610	38,490	0.3	38,030	1.5
Retail trade	133,230	132,970	0.2	131,220	1.5
Finance, insurance & real estate.	32,210	32,210	0.0	31,760	1.4
Services	178,710	177,140	0.9	172,310	3.7
Government	93,890	93,750	0.1	93,700	0.2
Total	738,360	733,380	0.7	722,820	2.1
Unemployment					
Number unemployed	46,300	42,470	9.0	42,610	8.7
Unemployment rate	6.2	5.7	8.8	5.8	6.9
State indexes					
Help-wanted ads	151	147	2.7	112	34.8
Leading indicators	119	116	2.6	112	6.3
Local components:					
Average weekly hours	43.2	43.3	-0.2	42.2	2.4
UI initial claims	1,972	2,047	-3.7	2,118	-6.9
New dwelling units ^a	7,775	7,257	7.1	5,649	37.6

SOURCES: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F. W. Dodge Division, McGraw Hill Information Systems Company, ad counts from the five major daily newspapers, and employment data from MESIC. National components of the leading indicators in Table A-5.

NOTE: Categories may not sum to total due to rounding.

a. New dwelling unit data are seasonally adjusted annual rates.

Table A-3
Index of Help-Wanted Advertising (1991=100)

Area	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Battle Creek.....	85	175	161	129	100	95	90	102	101	97	108
Benton Harbor.....	49	138	138	133	100	121	125	135	199	208	161
Grand Rapids.....	60	152	149	132	100	113	115	133	139	149	159
Kalamazoo.....	68	171	172	141	100	107	115	118	133	141	149
Muskegon.....	66	131	124	128	100	104	99	111	119	125	138
West Michigan, 3MSAs.....	63	155	152	133	100	110	112	126	137	147	151
Detroit, Michigan LMA.....	146	177	170	135	95	106	119	125	140	150	166
United States.....	111	216	208	177	128	128	118	120	126	133	139

SOURCES: West Michigan indexes based on ad counts from the *Battle Creek Enquirer*, *Benton Harbor Herald Palladium*, *Grand Rapids Press*, *Kalamazoo Gazette*, and *Muskegon Chronicle*; United States and Detroit indexes derived from (1967=100) series of The Conference Board.

Table A-4
Index of Leading Indicators (1991=100)
(Rounded)

MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor.....	121	117	110	111	100	112	119	118	117	121	125
Grand Rapids-Muskegon.....	112	117	112	108	100	106	111	113	112	117	120
Kalamazoo-Battle Creek.....	110	114	109	107	100	106	111	109	109	112	116
West Michigan, 3MSAs.....	111	116	111	108	100	106	112	112	112	116	119
Michigan.....	111	118	112	109	100	106	111	111	111	115	119

SOURCES: National index from U.S. Department of Commerce, all others from the W.E. Upjohn Institute.

Table A-5
Components of the Index of Leading Indicators

1. Average Weekly Hours of Production Workers											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor	42.1	42.1	42.9	41.6	40.7	41.8	43.1	43.2	43.6	43.1	42.8
Grand Rapids-Muskegon-Holland .	41.2	41.1	41.4	40.7	40.0	40.5	41.5	42.0	42.6	43.0	43.0
Kalamazoo-Battle Creek	42.0	42.6	42.9	42.1	42.3	42.6	43.5	43.3	43.6	44.4	44.2
West Michigan, 3 MSAs	41.5	41.6	41.9	41.1	40.7	41.1	42.2	42.4	43.0	43.3	43.2
Michigan	42.5	43.2	42.9	41.7	41.5	41.8	42.5	42.7	42.8	44.1	44.5
United States	40.1	41.1	40.9	40.7	40.6	41.1	41.2	41.3	41.4	41.8	41.6
2. Initial Claims for Unemployment Insurance (Average per week)											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor	219	253	294	273	347	295	214	207	218	199	195
Grand Rapids-Muskegon-Holland .	1,693	1,366	1,432	1,743	1,958	1,802	1,320	1,295	1,312	1,223	1,183
Kalamazoo-Battle Creek	748	590	665	719	781	747	591	605	593	615	604
West Michigan, 3MSAs	2,659	2,209	2,391	2,735	3,087	2,847	2,118	2,106	2,129	2,047	1,972
Michigan	21,583	17,154	17,573	21,048	26,490	23,941	16,740	16,603	17,470	15,765	14,306
United States	438,660	305,880	317,220	367,510	443,270	422,090	356,200	369,510	389,670	357,790	338,020
3. New Dwelling Units - Put Under Contract											
MSA	Annual averages (Selected years)						By quarter (Seasonally adjusted annual rate)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor	322	389	384	493	391	595	534	503	497	499	557
Grand Rapids-Muskegon-Holland .	3,136	5,905	5,755	6,084	4,379	4,303	3,834	4,415	4,357	5,382	5,463
Kalamazoo-Battle Creek	896	1,726	1,866	2,225	1,146	1,432	1,379	1,033	1,241	1,335	1,865
West Michigan, 3MSAs	4,361	8,020	7,996	8,806	5,918	6,338	5,649	5,988	6,113	7,257	7,775
Michigan	24,802	47,037	43,764	48,064	36,005	37,874	37,202	36,838	38,041	36,944	38,708
4. National Purchasing Management Association Survey (Selected components indexed)^a											
Component	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
New orders	129	118	100	95	102	116	119	107	109	122	122
Change in inventories	96	99	91	82	80	88	87	92	91	91	87
Vendor performance	113	84	105	104	95	100	104	104	102	104	110
Changes in material prices	119	153	106	112	88	100	103	104	102	105	121

SOURCES: Average weekly hours and initial claims based on information from Michigan Employment Security Commission; number of housing units put under contract, F.W. Dodge Division, McGraw Hill Information Systems Company; survey data from the National Association of Purchasing Management. Seasonal adjustments by the Institute.

a. Survey results shown here are based on percent reporting conditions favorable to economic growth minus percent reporting conditions unfavorable to economic growth plus 100.

Table A-6
Employment Data for West Michigan Labor Market Areas and Michigan
(Thousands of jobs - by place of work)

Total Employment^a											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor.....	55.1	65.3	67.0	67.8	66.0	66.6	66.6	66.9	67.1	67.8	68.0
Grand Rapids-Muskegon-Holland	335.4	415.4	437.8	449.9	445.5	453.6	461.0	463.9	464.9	469.1	473.3
Kalamazoo-Battle Creek	156.7	183.9	190.4	189.7	187.6	193.0	194.9	195.1	194.9	196.6	196.9
West Michigan, 3 MSAs	547.2	664.7	695.2	707.3	699.3	713.2	722.8	725.7	726.9	733.4	738.4
Michigan	3,214.4	3,809.2	3,911.5	3,960.6	3,881.1	3,918.2	3,956.8	3,965.7	3,972.8	4,001.7	4,039.2
Goods-Producing Employment^b											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton HarborMSA	20.0	23.7	24.1	23.7	22.4	22.0	21.8	21.9	21.8	22.1	22.3
Grand Rapids-Muskegon-Holland	122.5	150.7	154.9	154.9	149.1	150.4	152.4	153.3	153.0	155.0	157.2
Kalamazoo-Battle Creek	49.5	57.2	57.8	56.4	54.1	55.7	55.9	56.0	55.6	55.9	56.0
West Michigan, 3 MSAs	192.1	231.5	236.8	235.0	225.6	228.2	230.2	231.2	230.4	232.9	235.6
Michigan	967.0	1,087.3	1,111.0	1,086.3	1,026.2	1,029.2	1,035.3	1,030.1	1,028.9	1,043.1	1,062.6
Private Service-Producing Employment^c											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor.....	27.3	33.1	34.2	35.2	34.6	35.5	35.7	35.8	36.0	36.5	36.7
Grand Rapids-Muskegon-Holland	172.8	219.9	236.1	247.0	247.6	253.0	258.2	259.9	261.7	263.5	265.1
Kalamazoo-Battle Creek	77.5	93.6	98.9	100.7	100.7	103.7	104.9	105.1	105.3	106.7	107.0
West Michigan, 3 MSAs	277.6	346.6	369.3	382.9	382.9	392.2	399.0	400.5	403.0	406.8	408.9
Michigan	1,677.3	2,097.2	2,177.3	2,240.4	2,219.2	2,250.1	2,282.0	2,296.7	2,303.9	2,318.5	2,338.2
Government Employment											
MSA	Annual averages (Selected years)						By quarter (Adjusted for seasonal variations)				
	1983	1988	1989	1990	1991	1992	1993				1994
							I	II	III	IV	I
Benton Harbor.....	7.9	8.6	8.7	8.9	8.9	9.1	9.2	9.2	9.3	9.2	9.0
Grand Rapids-Muskegon-Holland	40.1	44.9	46.8	48.0	48.9	50.1	50.4	50.7	50.2	50.6	51.0
Kalamazoo-Battle Creek	29.7	33.1	33.7	32.6	32.7	33.6	34.1	34.1	34.0	34.1	33.9
West Michigan, 3 MSAs	77.6	86.7	89.2	89.5	90.9	92.8	93.7	93.9	93.6	93.8	93.9
Michigan	570.1	624.7	623.2	633.9	635.7	638.9	639.6	638.9	640.0	640.1	638.3

SOURCE: Michigan Employment Security Commission. Seasonal adjustments by the Institute.

NOTE: Annual employment statistics are adjusted to reflect MESCC's final average annual employment figures. Quarterly estimates are subject to change due to the addition of current quarter employment estimates.

a. Components may not add to totals because of rounding.

b. Manufacturing and construction and mining.

c. Transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

Table A-7
Vacancy Rates for Selected Metropolitan Labor Market Areas in Michigan

Labor market area	Total existing housing units				
	Housing units		All Types*	Vacancy rates	
	Total	Vacant		Homeowner	Rental
Ann Arbor	111,256	6,728	6.0	1.3	7.0
Battle Creek	55,619	3,807	6.8	1.1	8.8
Benton Harbor	69,532	8,507	12.2	1.5	6.6
Detroit	1,714,351	95,401	5.6	1.1	7.4
Flint	170,808	9,512	5.6	1.1	7.1
Grand Rapids	259,322	14,918	5.8	1.1	7.7
Jackson	57,979	4,319	7.4	1.1	6.5
Kalamazoo	88,955	5,253	5.9	1.3	8.0
Lansing	165,018	8,131	4.9	1.2	6.4
Muskegon	61,962	4,164	6.7	1.3	7.3
Saginaw-Bay City-Midland	155,508	7,273	4.7	1.0	5.5

SOURCE: 1990 U.S. Census Summary Tape File 1A.

*Includes vacant seasonal, recreational, or occasional use housing units.

Labor market area	Existing housing units plus units under construction (vacancy rates)				
	End date of survey	All types	Single family	Single family	
				attached	Multifamily
Ann Arbor	03/07/90	4.2	1.6	6.3	7.5
Battle Creek	10/14/88	4.0	2.6	9.3	9.6
Benton Harbor	04/06/89	3.4	2.7	4.1	6.3
Detroit	12/11/90	3.2	2.1	5.9	6.6
Flint	03/16/89	3.7	2.8	6.0	7.1
Grand Rapids	03/25/89	3.4	2.0	5.2	7.9
Jackson	05/11/89	3.1	2.0	11.0	6.7
Kalamazoo	03/16/89	5.2	2.6	10.7	10.8
Lansing	10/27/88	3.3	2.6	4.1	5.3
Muskegon	06/01/89	2.9	2.3	17.0	3.9
Saginaw-Bay City-Midland	09/23/89	2.5	2.0	5.1	4.3

SOURCE: Federal Home Loan Bank of Indianapolis.

NOTE: Vacancy rates for United States are not strictly comparable. In 1991 vacancy rates published by U.S. Department of Commerce show rental housing vacancy rates for the first, second, third, and fourth quarters of 1991 at 7.5, 7.3, 7.6, and 7.3 percent. Homeowner housing vacancy rates for the same periods were 1.7, 1.8, 1.8, and 1.6 percent.

Table A-8
Population by Age Groups
Six Metropolitan Counties in West Michigan

Area	Total	Percent Distribution					
		Under 5	5-20	21-24	25-44	45-64	Over 64
Calhoun County	1990 135,982	7.4	23.9	5.1	30.4	19.8	13.4
	1980 141,579	7.4	27.1	6.7	26.6	20.9	11.3
Berrien County	1990 161,378	7.4	24.1	5.2	29.9	19.7	13.7
	1980 171,276	7.7	28.4	6.6	26.5	19.9	11.0
Kent County	1990 500,631	8.7	24.1	6.3	33.7	16.4	10.8
	1980 444,506	8.1	27.8	8.3	27.5	18.1	10.2
Ottawa County	1990 187,768	8.5	26.5	6.1	32.2	16.8	9.8
	1980 157,174	8.4	30.1	7.4	28.4	17.0	8.7
Kalamazoo County	1990 223,411	7.3	24.4	8.2	32.1	17.4	10.6
	1980 212,378	6.9	28.1	10.2	28.5	17.4	8.9
Muskegon County	1990 158,983	8.1	24.2	5.2	31.1	18.3	13.1
	1980 157,589	7.9	28.4	7.1	25.9	20.0	10.7

SOURCES: 1980 Census *General Population Characteristics* and 1990 Census, Summary Tape File 1A from the Michigan State Office of Management and Budget.

NOTE: The 1980 and 1990 population figures for each of the counties shown on Table A-13.

Table A-9
1991 Earnings by Industry for Selected Counties of Michigan
(Thousands of dollars)

Earnings by industry	Berrien	Calhoun	Kalamazoo	Kent	Muskegon	Ottawa
Farm	\$ 21,711	\$ 8,955	\$ 4,975	\$ 34,796	\$ 10,691	\$ 67,756
Nonfarm	1,783,513	1,819,339	3,441,061	8,318,824	1,587,311	2,306,786
Private	1,552,321	1,486,155	2,972,111	7,586,320	1,339,181	2,041,788
Agricultural services, forestry, fisheries, and other	6,857	3,966	17,734	32,620	4,005	18,555
Mining	5,694	3,490	3,073	12,736	3,426	2,180
Construction	66,654	72,467	150,422	460,871	77,018	172,675
Manufacturing	689,557	671,078	1,285,110	2,692,315	576,745	990,055
Transportation & public utilities	112,694	113,217	110,761	350,981	88,988	98,731
Wholesale trade	66,402	50,741	130,873	832,248	64,384	116,053
Retail trade	174,543	166,302	283,947	919,144	163,676	208,665
Finance, insurance & real estate	58,148	90,524	177,616	369,664	31,518	44,685
Services	371,772	314,370	812,575	1,915,741	329,421	390,189
Government	231,192	333,184	468,950	732,504	248,130	264,998
Total earnings by place of work	1,805,224	1,828,294	3,466,036	8,353,620	1,598,002	2,374,542

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

Table A-10
Consumer Price Index

Consumer Price Index (CPI), U.S. City Average (1982-84=100)												
Year	Annual											
	Avg.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov. Dec.
CPI for All Urban Consumers (CPI-U)												
1984.....	103.9	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3
1985.....	107.6	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0
1986.....	109.6	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4
1987.....	113.6	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4
1988.....	118.3	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3
1989.....	124.0	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	126.1
1990.....	130.7	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8
1991.....	136.2	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8
1992.....	140.3	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0
1993.....	144.5	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8
1994.....	...	146.2	146.7	147.2	147.4	...	...	...	...	...	...	...
CPI for Urban Wage Earners and Clerical Workers (CPI-W)												
1984.....	103.3	101.6	101.8	101.8	102.1	102.5	102.8	103.2	104.2	104.8	104.8	104.7
1985.....	106.9	104.9	105.4	105.9	106.3	106.7	107.0	107.1	107.3	107.6	107.9	108.3
1986.....	108.6	108.9	108.5	107.9	107.6	107.9	108.4	108.4	108.6	109.1	109.1	109.2
1987.....	112.5	110.0	110.5	111.0	111.6	111.9	112.4	112.7	113.3	113.8	114.1	114.3
1988.....	117.0	114.5	114.7	115.2	115.7	116.2	116.7	117.2	117.7	118.5	118.9	119.0
1989.....	122.6	119.7	120.2	120.8	121.8	122.5	122.8	123.2	123.2	123.6	124.2	124.4
1990.....	129.0	125.9	126.4	127.1	127.3	127.5	128.3	128.7	129.9	131.1	131.9	132.2
1991.....	134.3	132.8	132.8	133.0	133.3	133.8	134.1	134.3	134.6	135.2	135.4	135.8
1992.....	138.2	136.0	136.4	137.0	137.3	137.6	138.1	138.4	138.8	139.1	139.6	139.8
1993.....	142.1	140.3	140.7	141.1	141.6	141.9	142.0	142.1	142.4	142.6	143.3	143.4
1994.....	...	143.6	144.0	144.4	144.7	...	...	...	...	...	...	...

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

NOTES: Monthly data are shown above unadjusted for seasonal variations. Unadjusted CPI data are used extensively for escalation purposes. Although the CPI is often called the "Cost-of-Living Index," it measures only price change, which is just one of several important factors affecting living costs. All CPI series are linked historically to the original CPI Index for Urban Wage Earners and Clerical Workers.

These series contain no revision but are reprinted for the convenience of the user.

PERCENT CHANGE: Movements of these indexes from one time period to another are usually expressed as percent changes rather than changes in index points. Index point changes are affected by the level of the index in relation to its base period while percent changes are not. Examples of computation follow:

$$\left[\frac{108.6 \text{ (1986 annual avg.)} - 106.9 \text{ (1985 annual avg.)}}{106.9 \text{ (1985 annual avg.)}} \right] \times 100 = 1.6\% \text{ change 1985 to 1986, CPI-W.}$$

$$\left[\frac{109.3 \text{ (1986 December)} - 108.6 \text{ (1985 December)}}{108.6 \text{ (1985 December)}} \right] \times 100 = 0.6\% \text{ change December 1985 to December 1986, CPI-W.}$$

Table A-11
Selected Labor Market Indicators
(Not adjusted for seasonal variations)

Labor market area	Average for manufacturing production workers ^a March 1994			Civilian labor force unemployment rate ^b	
	Weekly hours	Hourly earnings	Weekly earnings	January 1994	March 1994
United States	41.9	\$12.01	\$503.22	7.3	6.8
Michigan	44.6	15.96	711.82	8.1	7.0
West Michigan MSAs:					
Benton Harbor	42.8	11.60	496.48	8.7	7.2
Grand Rapids-Muskegon-Holland	43.3	13.06	565.50	6.7	5.6
Kalamazoo-Battle Creek	45.4	15.26	692.80	6.8	6.0
Other labor market areas:					
Ann Arbor	45.6	16.46	750.58	5.2	4.3
Detroit	46.6	17.14	798.72	7.7	6.5
Flint	46.4	21.48	996.67	10.4	9.0
Jackson	43.5	11.40	495.90	8.5	7.4
Lansing-E. Lansing	43.5	17.23	749.50	5.9	5.0
Saginaw-Bay City-Midland	44.2	18.22	805.32	8.7	7.8
Upper Peninsula	40.7	11.20	455.84	12.5	11.2

SOURCES: U.S. Department of Labor and the Michigan Employment Security Commission (most recent benchmark).

a. Preliminary. Earnings include overtime and part-time wages.

b. Seasonally adjusted rate for U.S. was 6.7 percent in January 1994 and 6.5 percent in March 1994. Seasonally adjusted rate for Michigan was 7.5 percent in January 1994 and 6.5 percent in March 1994.

Table A-12
Commercial Banking Data
Fourth Quarter 1993
(In thousands of current dollars)

	LMAs ^a				
	Battle Creek	Benton Harbor	Grand Rapids	Kalamazoo	Muskegon
Total deposits	\$47,550	\$786,799	\$6,356,101	\$2,356,985	\$292,732
Total transaction accounts ^b	16,387	188,544	1,614,032	751,721	63,626
Nontransaction savings ^c	20,679	265,213	1,832,433	738,244	75,335
Time deposits <\$100,000	9,763	287,298	1,729,432	678,585	118,612
Time deposits >\$100,000 ^d	721	44,183	1,179,968	188,435	35,159
Total assets	54,318	894,971	8,230,480	2,841,342	347,359
Total loans	22,602	564,124	5,292,582	1,687,775	225,745
Agriculture	496	4,760	42,880	23,603	1,152
Business	2,389	110,337	1,364,474	286,574	48,230
Consumer	4,020	70,920	983,791	398,460	43,546
Government	524	6,236	58,094	80,096	4,901
Real estate	15,169	370,694	2,743,191	874,829	126,621
Other ^e	4	1,177	100,152	24,213	1,295

SOURCE: Federal Reserve Bank of Chicago.

a. Reported data include deposits and assets in all branches of banks with home offices in the five areas.

b. Total transaction accounts include demand deposits, automated teller accounts, and NOW accounts.

c. Nontransaction savings include money market depository accounts (MMDAs) and IRAs.

d. This category includes both time certificates and open-time certificates over \$100,000.

e. Includes loans made to depository institutions, leases, and bankers' acceptances, and unearned income.

Table A-13
Population and Income Update for Selected Area

Area	Population				Per Capita Income			
	1990	1980	Change	% Change	1989	1979	% Change (current dollars)	% Change (constant dollars)
Michigan	9,295,297	9,262,078	33,219	0.4	\$14,154	\$7,688	84.1	7.8
Southwest Michigan	1,751,125	1,646,424	104,701	6.4	13,271	7,072	87.7	9.9
Metropolitan areas								
6-county total	1,368,153	1,284,502	83,651	6.5	13,680	7,240	89.0	10.6
Battle Creek (Calhoun County) . .	135,982	141,579	(5,597)	-4.0	12,729	7,211	76.5	3.4
Benton Harbor (Berrien County) .	161,378	171,276	(9,898)	-5.8	12,636	6,728	87.8	10.0
Grand Rapids area	688,399	601,680	86,719	14.4	14,370	7,437	93.2	13.1
Kent County	500,631	444,506	56,125	12.6	14,378	7,522	91.1	11.9
Ottawa County	187,768	157,174	30,594	19.5	14,347	7,198	99.3	16.7
Kalamazoo County	223,411	212,378	11,033	5.2	14,548	7,769	87.3	9.6
Muskegon County	158,983	157,589	1,394	0.9	11,345	6,358	78.4	4.5
Nonmetropolitan								
7-county total	382,972	361,922	21,050	5.8	11,813	6,476	82.4	6.8
Allegan	90,509	81,555	8,954	11.0	12,498	6,744	85.3	8.5
Barry	50,057	45,781	4,276	9.3	12,417	6,965	78.3	4.4
Branch	41,502	40,188	1,314	3.3	11,033	6,449	71.1	0.2
Cass	49,477	49,499	(22)	0.0	12,167	6,481	87.7	9.9
Oceana	22,454	22,002	452	2.1	9,582	5,627	70.3	-0.3
St. Joseph	58,913	56,083	2,830	5.0	12,039	6,473	86.0	8.9
Van Buren	70,060	66,814	3,246	4.9	11,233	6,108	83.9	7.7

SOURCES: State of Michigan Department of Management and Budget and U.S. Bureau of the Census.

Table A-14
Existing Homes Sales

Area	Number of sales First quarter			Average sales price First quarter		
	1994	1993	Percent change	1994	1993	Percent change
Battle Creek Area	322	254	26.8	63,673	62,954	1.1
Berrien County Area	442	424	4.2	83,861	77,591	8.1
Grand Rapids Area	2,201	2,013	9.3	89,204	86,539	3.1
Holland Area	281	230	22.2	99,215	90,122	10.1
Kalamazoo Area	1,100	1,017	8.2	87,431	79,582	9.9
Muskegon Area	329	292	12.7	68,834	70,615	-2.5
Michigan	10,691	9,777	9.3	85,762	79,002	8.6

SOURCES: Michigan Association of Realtors and the Muskegon Board of Realtors.

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